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Iran Sputters In Drive for Dominance

A Weakening Economy And Internal Unrest Disarm Regional Threat

By Elaine Sciolino
New York Times Service

WASHINGTON — In the three years since Iraq was defeated in the Gulf war, Iran's drive to become a regional superpower has been thwarted by a worsening economy and an internal political struggle. Despite the U.S. government's official portrayal of Iran as a rogue regime with similarities to Iraq before its invasion of Kuwait, Tehran lacks the money, military equipment, and trained personnel to seriously threaten its neighbors, experts on the country contend.

According to this revisionist view, Iran is getting weaker, not stronger.

"The regime is facing serious internal problems with no solutions," said Shaul Bakhash, author of a forthcoming book on Islam and politics in Iran. "This is an exhausted revolution. It is a regime out of touch and talking to itself, not one that can afford to project its power abroad in a major way."

For several years, the government has suffered from high inflation and unemployment, rapid population growth, a mounting foreign debt that it can no longer repay, and waning popular support for the Shiite Muslim clerics who control the country.

The bombing last month in Meshed of the holiest Shiite shrine in Iran on the most solemn day of the year, killing at least two dozen pilgrims, has added to the government's sense of vulnerability.

Declining world oil prices have shaved 30 percent from Iranian oil revenue in the past year, while declining production ability has made the country unable to meet its quota set by the Organization of Petroleum Exporting Countries.

"The Iranians desperately need to rebuild their oil fields," said Vahan Zanoyan, an economist and director of the Petroleum Finance Co., a consulting firm in Washington. "They have serious production problems, primarily because they have not been able to get the necessary spare parts and do all the maintenance work."

Iran's imports from the United States in the first quarter, which consist mostly of oil-related equipment, totaled \$30 million, compared with \$217 million in the first quarter of 1993.

President Hashemi Rafsanjani has been

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France Skirts Face-Off With Rwanda Rebels

By Jonathan C. Randal
Washington Post Service

GIKONGORO, Rwanda — France began a strategic retreat Tuesday from threatened military escalation in Rwanda, effectively agreeing to withdraw its intervention forces from most of the country in return for rebel tolerance of a humanitarian security zone in the southwest.

The still-informal agreement left the way open for the predominantly Tutsi insurgents of the Rwanda Patriotic Front to launch an offensive in the northwest against the reeling Hutu government forces that two days ago lost the capital, Kigali, and the city of Butare.

Outlines of an agreement apparently were worked out between French emissaries and the Patriotic Front in Kampala, the capital of Uganda, which long has provided the insurgents with political and material support.

Significantly, both sides at the highest level signaled the sudden improvement in relations. Paul Kagame, the Patriotic Front commander in chief, announced in Kigali that his forces "were not seeking a clash" with the fewer than 1,000 French troops deployed in western Rwanda.

"We don't want to take the entire country and we don't need to," Mr. Kagame said.

President François Mitterrand of France announced the French retreat during a visit to South Africa, insisting that "the RPF is not our enemy" and "we are not trying to prevent its eventual success" in the three-month civil war.

Mr. Mitterrand thus appeared to be accepting the inevitable.

In Paris, Foreign Minister Alain Juppé, who has repeatedly expressed bitterness at the lack of international participation in Paris's virtually go-it-alone operation, See RWANDA, Page 4

Newstand Prices:

Andorra	9.00 FF	Luxembourg	40 L. Fr.
Antilles	11.20 FF	Morocco	12 Dh.
Cameroon	1,400 CFA	Portugal	4,000 Reis
Egypt	... E.P. 5,000	Romania	11.20 FF
France	9.00 FF	Saudi Arabia	9.00 R.
Gabon	960 CFA	Senegal	960 CFA
Greece	300 Dr.	Sri Lanka	200 PTAS
Iraq	2,600 Dls.	Tunisia	1,000 Din
Jordan	1 J.D. U.S.A.	Turkey	T.L. 35,000
Lebanon	US\$1.50	U.S. Mil. (Eur.) \$1.10	



Associated Press Photo

Yasser Arafat having a cheerful conversation during his visit to Jericho with two ultraorthodox Jews who are members of a sect opposed to Zionism.

For Arafat's Return, an Uneasy Finale in Jericho

By David Hoffman
Washington Post Service

JERICHO — Yasser Arafat, the Palestinian leader, alighted Tuesday from an Egyptian helicopter in the ancient city of Jericho and formally established the new self-rule regime that will govern the Gaza Strip and Jericho.

But Mr. Arafat's day, his first in the West Bank since 1967, seemed to be an awkward and unsettling finale to his voyage of return.

Under a blanket of oppressive heat, Palestinians who came to hear Mr. Arafat, many of them former prisoners in Israeli jails, grew indignant when they

were forced to stand behind two layers of barbed wire fence at the welcoming ceremony.

They trampled the fence to get closer but collided with Mr. Arafat's protective cordon of armed soldiers.

The welcome was further cooled by the fact that Palestinians in the West Bank apparently decided not to come to Jericho in large numbers to see Mr. Arafat.

A few thousand crowded into a field outside a bus station for the ceremony, far fewer than the tens of thousands from West Bank towns and villages who came

to see the arrival of the new Palestinian police force a few weeks earlier.

Mr. Arafat complained that Israel had blocked Palestinians from coming. Israel denied that it had directly barred Palestinians from traveling to Jericho, but relatively small groups of militant Jewish settlers were allowed to burn tires and block roads for hours, and witnesses said the army moved against them only hesitantly.

As a result, Palestinians in the West Bank may have decided not to take the risks involved.

Another possible reason for the low turnout was that most of the West Bank

remains under Israeli occupation and its residents are less enthusiastic about the new self-rule regime than those who live in Gaza and Jericho.

Prime Minister Yitzhak Rabin of Israel and Mr. Arafat are to meet in Paris on Wednesday for the first time since the Gaza-Jericho peace accord was signed May 4, and their agenda includes talks on expanding self-rule to the rest of the West Bank.

While blocking roads, the Jewish settlers failed to stage massive demonstrations that they had boasted would disrupt Mr. Arafat's visit. Instead, small

See PLO, Page 4

European Business in Midst of Corruption Cleanup

By Alan Friedman
International Herald Tribune

PARIS — The arrest of another of France's leading businessmen on corruption charges this week shook the bourse, and the business establishment, but it may soon become a more common event.

Corruption is now considered by many businessmen to be as much of a threat to efficiency and a distortion of the market as trade barriers, and the signs are that Europe is in the early stages of a vast cleanup.

As Western Europe climbs out of its most traumatic recession in a generation, the view of many in finance and industry is that it is time for renewal — evidently

extending well beyond mere corporate restructuring.

In fact, the anti-corruption drive launched two years ago by courageous Milan magistrates appears to be spreading across Europe, with investigators in

NEWS ANALYSIS

France, Spain and Germany emboldened by Italy's example.

"Italy was the trigger," said Professor George Taucher, a specialist in business ethics at the International Institute for Management Development in Lausanne, Switzerland. Mr. Taucher and others said

it was only logical that corruption scandals in European banking and industry were now coming to light after a free-wheeling decade of greed and loose business morals.

"Long periods of prosperity usually end in scandal," Mr. Taucher said. "The 1920s were renowned for scandals that emerged in the 1930s. There is no doubt that you've got emboldened magistrates now. And several scandals will collapse of their own weight."

In France, the arrest Monday of Pierre Suard, the chairman of Alcatel Alsthom SA who was charged with forgery, fraud, and corruption, was only the latest in a

series of judicial attacks on big names in French capitalism. (Page 11)

Earlier this year a Geneva magistrate began investigating executives at Crédit Lyonnais in connection with the state-owned bank's dealings with a bankrupt Swiss company involved in the controversial 1990 takeover of Metro-Goldwyn-Mayer Inc., the Hollywood studio.

Last month the Paris bourse was rocked by the jailing in Brussels of Didier Pineau-Valencienne, the chairman of Schneider SA who was charged with fraud and held for two weeks.

And last week, French magistrates or

See SCANDALS, Page 4

Bosnia Faces Ultimatum To Accept Peace Plan

U.S., Russia and Europe Declare That Patience Has Been Exhausted

By William Drozdiak
Washington Post Service

GENEVA — Russia, the United States and the European allies approved the partition of Bosnia-Herzegovina along ethnic lines Tuesday and urged the country's warring parties to accept the peace plan without modification.

Foreign ministers from the big powers, declaring that the world's patience has been exhausted by the 27-month war, said the time had come to impose a settlement on Bosnia's Serbs, Croats and Muslims because they had refused to accept a peaceful compromise on their own.

It was the first time in the course of Europe's bloodiest conflict since World War II that Russia, the United States and leading European countries had reached a common position on how to stop the fighting and separate the combatants.

The ministers gave their final blessing to a map that cedes 49 percent of the territory to Bosnia's Serbs and 51 percent to the federation between Croats and Muslims.

They also agreed on a package of carrots and sticks that would reward parties accepting the plan and punish those rejecting it.

They warned that if the peace plan was spurned, the war could quickly escalate and spread through the rest of the Balkans, especially if an international arms embargo was lifted and the 35,000-member United Nations force began to withdraw.

But as fighting continued Tuesday in Bosnia, there was little sign that the Serbs, who now control 70 percent of the land, were prepared to relinquish their gains, or that the Muslims were ready to halt a summer offensive to win back lost territories.

Russia's Andrei V. Kozyrev, who hosted the three-hour meeting among ministers from the big powers, said the leaders of Bosnia's three factions will be handed the map Wednesday and be told that they have two weeks to respond to the "peaceful ultimatum." The ministers would then reconvene in Geneva before the end of the month to determine their next steps.

"The world has come to a turning point because we all realize that the passions around Bosnia can lead to international confrontation," Mr. Kozyrev said. "We have chosen the only alternative possible: joint action against those whom the war has deprived of common sense."

Secretary of State Warren M. Christopher said that if the Serbs rejected the plan and Bosnia's mostly Muslim government accepts it, the prospect of lifting an arms embargo to give the Muslims greater firepower to carry out an offensive to recapture their land would become "almost irresistible."

Mr. Kozyrev, who has warned in the See BOSNIA, Page 4



Michael Emenalo of Nigeria competing for the ball with Nicola Berti of Italy, which won the match, 2-1, in overtime.

Italy 2, Nigeria 1

Roberto Baggio broke the tie from the penalty spot in the 12th minute of extra time, after having scored his first goal of the tournament in the 89th minute to tie Nigeria. It was the first second-round match to go beyond the normal 90 minutes.

A Roar for the Irish Crowd

The Irish fans have been among the most rabid and enthusiastic of the World Cup. "We have the greatest fans

The Garden State's Weeds

Many fans from abroad who came to New York without reservations have found a side of New Jersey that the Garden State would love to hide: the factories, the strip malls, the no-tell motels where rates are \$27 for three hours — or \$30 for a mirrored room.

Quarterfinal matches Saturday — Italy vs. Spain, in Foxboro, Massachusetts, 1605 GMT; Netherlands vs. Brazil, in Dallas, 1935 GMT; Sunday — Mexico-Burma winner vs. Germany, in East Rutherford, New Jersey, 1605 GMT; Spain vs. Romania, in Stamford, California, 1935 GMT.

World Cup report: Pages 17, 18 and 19

By David B. Ottaway
Washington Post Service

CLUJ, Romania — A bronze statue of a 15th century king in this old Transylvanian city has become the unlikely object of a political battle between Romanian nationalists and the country's sizable Hungarian minority.

The fight over the old statue, depicting King Matthias towering over Unity Square in the center of town, has provided a stark reminder that Yugoslavia is not the only place in the Balkans where nationalist passions are vulnerable to exploitation by extremist politicians.

The struggle is ostensibly over whether to permit an archaeological search for what may be a forum from Roman times beneath Unity Square.

For two weeks, thousands of Hungarian demonstrators have blocked Romanian archaeologists from beginning an exploratory dig at one end of the square. They say the dig is not a scientific exercise but rather a political ploy by Romania's growing ultranationalist movement to remove the statue.

Some Romanians have made Matthias into a symbol of what they say was 500 years of oppression under Hungarian rule.

The real issue, both sides say, is an attempt by ethnic Romanians to assert cultural and political dominance over the country's declining Hungarian minority, which is estimated now to be between 1.6 million and 2 million in a total population of 23 million.

Most of the Hungarians in Romania live in the province of Transylvania. The city of Cluj, once a cultural and political center of Hungarians, is being aggressively Romanized.

That a statue and an archaeological dig have come to dominate the political life of this city of more than 300,000 reflects how aggressively Romania's ultranationalists are exploiting emotional symbols to rally Romanian sentiment.

Romania is governed by a weak minority government that relied on the extreme Romanian National Unity Party to rescue

See ROMANIA, Page 4

Kiosk

Mandela's Finance Minister Resigns

JOHANNESBURG (AP) — Derek Keys, the respected finance minister retained by the African National Congress to make black rule more palatable to business, announced Tuesday that he would resign for personal reasons.

A prominent banker, Christo Liebenberg, was selected to succeed him.

Mr. Keys said his departure from government had nothing to do with policy differences within President Nelson Mandela's government.

Even before his announcement, rumors that Mr. Keys would resign weakened the South African currency.

Dow Jones

At Summit, Few Expect Much From Japan's New Leader

By Steven Brill
International Herald Tribune

TOKYO — When Tomiichi Murayama arrives at the Group of Seven industrialized nations summit meeting in Naples on Friday, Japan's new Socialist prime minister will have a unique advantage — a total lack of experience in international affairs and the most minimal of expectations placed upon him.

A stronger and more seasoned statesman would be pressed hard to defend Japan's unification macroeconomic and trade policies at a summit meeting concerned with promoting global growth and jobs.

But Mr. Murayama will very likely find that despite Japan's gaping global trade surplus of \$130 billion last year, his counterparts will settle for promises of future actions and reassurances that he plans to make no drastic changes to economic and security policies.

U.S. officials have already played down expectations that it is unrealistic to expect the new government to be prepared to cut a deal, even in talks that have dragged on since their inception exactly one year — and four Japanese prime ministers — ago.

The Ministry of International Trade and In-

dustry and the Ministry of Finance "will once again be able to make a case not to do anything to Japan now, not to do anything that hurts," said Chalmers Johnson, president of the Japan Policy Research Institute in Santa Monica, California.

"It's not totally accidental," he said. "Plenty of people in the bureaucracy want to buy time and milk America for as long as possible."

Mr. Murayama, 70, leads a coalition beset with internal conflict, and making tougher demands would only risk escalating tensions and driving up the yen even higher against the dollar, with potentially precarious consequences for financial markets.

"Low expectations are a politician's greatest asset," said Yasunori Sone, professor of political science at Keio University. "This will allow Murayama to survive."

Mr. Murayama, who last week became prime minister of a bizarre coalition government uniting the Socialists with their arch-rivals, the Liberal Democrats, has been the first to boast of his lack of qualifications for leading the world's second-biggest economy.

The son of a fisherman in Kyushu, in southern Japan, he honed his early skills in local politics

representing labor interests. He put his skills to good use in the Socialist Party, which until last year was the perennial opposition.

He has little experience as a leader and has never served in a cabinet position.

He has never taken part in high-powered international conferences, or learned to speak a second language.

He has traveled abroad only five times, always as a member of a group.

Japanese bureaucrats have subjected Mr. Murayama to extended cram sessions to prepare for the Naples meeting, but since debate could flow in unexpected directions, a few basic principles reportedly have been hammered home: Keep your head down and say as little as possible.

Insofar as the summit meeting is more talk than a tough negotiation, Mr. Murayama is very likely to escape unscathed.

He will tell his G-7 counterparts that Japan intends to spur growth in its economy by extending the 6.0 trillion yen tax cut imposed this year for at least another year.

The United States and European countries have been pressing Japan to make the cuts permanent, but a final agreement to do so has been

delayed by the Ministry of Finance, which wants an agreement to raise consumption taxes later to pay for them.

The most Japan can pledge at the talks, the deputy chief cabinet secretary, Hiroyuki Sonoda, said Tuesday, was an effort to try to complete by the end of the year a comprehensive tax reform package outlining a way to finance income tax cuts with an eventual increase in consumption taxes.

Mr. Murayama also will promise an increase in public works spending, again without offering specific figures.

His major hurdle will come on Friday, hours before the sessions begin, when he meets President Bill Clinton. The session will be the first between Japanese and U.S. leaders since the framework trade negotiations, designed to expand American access to Japanese markets, broke down last February.

Both countries had hoped to reach agreement on at least one of the framework's three priority areas: government procurement, insurance and autos and auto parts. This now seems unobtainable.

Still, with Mr. Clinton wary of a standoff that could further weaken the dollar, analysts say he is likely to be accommodating.

WORLD BRIEFS

Seoul Might Ease Its Ban on North

SEOUL (AP) — The prime minister of South Korea said Tuesday that the country would consider revising its law that bans contact with North Korea if a summit meeting between the North and South reduces tension on the Peninsula.

But the official, Lee Yung Duk, said that the revision of the law was "not desirable" at this time because North Korea had yet to show any change in its policy of spreading communism in the South.

Under the law, any South Korean found engaging in activities that might favor the Stalinist regime in North Korea, or trying to make contacts with North Koreans without government permission, is liable to a stiff jail sentence for "anti-state activities."

Northern Yemen Claims Aden Gain

SANA, Yemen (AP) — Northern Yemeni leaders claimed their troops won control of most of the southern stronghold of Aden on Tuesday, an advance that would point to imminent victory against the secessionist south.

Southern officials denied the claim. The 400,000 people in Aden are increasingly short of water, food and medical supplies, and related officials fear the city is on the verge of catastrophic health problems. The center of the port has become crowded as people flee the advancing troops.

Aden has been the focus of most of the fighting in the civil war that broke out May 4 after issues that had been left unresolved in the 1990 unification of the two Yemens grew into a seemingly irreconcilable feud between leaders.

Hong Kong Bars Deleting History

HONG KONG (AP) — The Hong Kong government says history textbooks can include accounts of the 1989 massacre in Beijing of pro-democracy demonstrators, ending a dispute over suggestions for a 20-year wait before the events go into the books.

Dominic Wong, director of education, said Monday night that his department did not have the power to delete material in history textbooks.

The Education Department suggested to two publishers last month that they remove a reference to China's 1989 attack on Beijing from two history school books. The move provoked an angry reaction from the press and some lawmakers, who accused the government of trying to pacify China, which regains sovereignty over Hong Kong in 1997.

Greeks Protest as Neofascists Dock

PIRAEUS, Greece (AP) — About 200 leftist demonstrators scuffled briefly with the police in the port of Piraeus on Tuesday in an effort to prevent a visit by members of Italy's neofascist National Alliance.

About 700 passengers on the Achille Lauro, on a fund-raising cruise for the party, disembarked and left safely through another entrance. They later visited the ancient temples of the Acropolis in Athens. The demonstrators shouted anti-fascist slogans but did not break through the police cordon. The Italian rightists are on a 12-day cruise including visits to the Italian port of Genoa, Egypt, Cyprus and Greece.

Gianfranco Fini, the National Alliance's leader, rejects the label "neofascist" and calls his party "postfascist." Since joining Prime Minister Silvio Berlusconi's conservative governing coalition he has repeatedly pledged allegiance to parliamentary democracy.

TRAVEL UPDATE

Air Travelers Face Strikes in Italy

ROME (AP) — A rash of strikes this week and next could complicate air travel in Italy just as the vacation season picks up.

Air traffic controllers have scheduled a nationwide strike from 7 A.M. to 3 P.M. on Friday, the day the summit meeting opens. Controllers will strike Thursday at Milan's Linate airport from 7 A.M. to 2 P.M. and the day after at Rome's Fiumicino airport, Sunday, in a bid to force a 24-hour strike.

The three main labor federations have also called for a general strike against Alitalia on Monday.

A truck fire closed the St. Gotthard road tunnel, a major link between Italy and the rest of Europe, on Tuesday. It is expected to reopen Saturday.

The British rail union announced one-day strikes on July 13 and July 20 to add to one already planned this week, and threatened two days of stoppages a week if no agreement was reached by late July.

All 81 passengers traveling from Italy to Greece on the ferry Raffaello were evacuated safely to another ship Tuesday after a truck caught fire in the hold. The 58 members of the crew remained aboard and brought the fire under control.

The National Park Service wants to charge climbers \$200 to ascend the highest peak in the United States, Mount McKinley in Alaska. Even casual visitors to the park would have to pay up to \$30 for bus rides that have been free until now. "Climbers are an expensive lot," said an official.

(Reuters)

Cambodian Disowns 2 in Coup Attempt

Reuters

PHNOM PENH — Second Prime Minister Hun Sen of Cambodia said Tuesday he was disowning the two members of his political party who organized an unsuccessful coup attempt, branding them traitors who had been acting alone.

Mr. Hun Sen denied his political party was involved in the coup.

Prince Norodom Chakrapong, a former deputy prime minister and a son of King Norodom Sihanouk, was deported to Malaysia on Sunday after government forces arrested General Sin Song, a former interior minister, on charges of plotting the uprising.

Both men were members of Mr. Hun Sen's Cambodian People's Party, or CPP, the No. 2 party in the ruling coalition.

"It's not a CPP plot," the party leader said. "It was a plot by CPP traitors. So please don't suspect any connection with the CPP in this coup."

The government said 300 soldiers backed by 12 armored vehicles supporting General Sin Song had been disarmed at Dey Eth, 30 kilometers (20 miles) southeast of Phnom Penh.

According to one senior government official, Prince Chakrapong had become increasingly disillusioned with the level of support he had been receiving from the Cambodian People's Party.

A government spokesman, Sieng Lanreiss, said 28 weapons and 21 mobile radios had been seized in houses belonging to Sin Song and Chakrapong. He said the plotters aimed to create "public disorder" and "destroy national institutions."

Fourteen Thais nationals sought sheltering in a hotel owned by Prince Chakrapong were being questioned about the possibility of their involvement in the coup attempt, First Prime Minister Norodom Ranariddh said earlier.

"It's very natural and logical

that we detain those Thais but we will not detain them if there isn't any charge," Prince Ranariddh said.

The former Cambodian People's Party ministers led an unsuccessful secession movement in 1993 after United Nations-organized elections won by the Ranariddh royalists.

"I would like to say the incident on Saturday was not a secessionist movement, but an unsuccessful coup," Mr. Hun Sen said.

Diplomats agreed that it appeared to have been a bungled attempt by Prince Chakrapong and General Sin Song to force concessions out of the government.

Diplomats said evidence suggested the number of soldiers allegedly supporting the two men was considerably fewer than the 250 to 300 originally reported by the government.

Also Tuesday, Prince Norodom Ranariddh reaffirmed his commitment to human rights provisions in a draft law that would outlaw the Khmer Rouge guerrilla faction.

The law cannot be used against the common people on the one hand, and on the other hand I think we should do something in order to keep the door open," he said.

Asked if he would guarantee the inclusion of human rights safeguards, Prince Ranariddh said, "Absolutely — I've told them I'd like to tell you, those people who oppose the law are not sincere — they have to acknowledge that we need such a law."

The second deputy president of the National Assembly, Son Soubert, said he expected the bill would be passed within one or two days.

The bill's most outspoken critic, Finance Minister Sam Rains, said he was now prepared to endorse the legislation if human rights safeguards were included.

Driver Saw a Black Enter Simpson Home

Associated Press

of the preliminary hearing is to determine if he should stand trial.

In his testimony, the driver, Allan Park, said no one answered at Mr. Simpson's home when he rang the bell at a gate 10:40 to 10:50 P.M. He was supposed to pick up Mr. Simpson at 10:45 P.M. for a ride to the airport.

Another prosecution witness said he was with Mr. Simpson at his home at 9:45 P.M. but did not see him again until he was about to get in the limousine. He also spoke of being frightened by a thumping sound outside his guest house about 10:40 P.M. Neither witness saw Mr. Simpson acting out of the ordinary.

The times are important because one of Mr. Simpson's attorneys has said he was told the slayings happened about 11 P.M. on June 12, and Mr. Simpson was at home waiting for his ride to the airport for a flight to Chicago at that time. But some testimony has suggested Nicole Brown Simpson and her friend Ronald Goldman were killed between 10 and 11 P.M.

Mrs. Simpson, 35, and Mr. Goldman, 25, were killed in front of Mrs. Simpson's condominium about two miles from her former husband's home. Mr. Simpson has pleaded not guilty to murder. The purpose

of the preliminary hearing is to determine if he should stand trial.

In his testimony, the driver, Allan Park, said no one answered at Mr. Simpson's home when he rang the bell at a gate 10:40 to 10:50 P.M. He was supposed to pick up Mr. Simpson at 10:45 P.M. for a ride to the airport.

Shortly before 11 P.M., he saw a 6-foot, 200-pound (183-centimeter, 90-kilogram) black person go into the house, Mr. Park said, and then a voice sounding like Mr. Simpson's came on the intercom, and "He told me he overslept, that he just got out of the shower and he'd be down in a minute."

Asked about Mr. Simpson's demeanor when he finally came down, Mr. Park said, "I never met him before, and everything seemed O.K. to me." He said he saw no sign of injury to Mr. Simpson.

Also testifying Thursday was Brian Kaelin, a friend of Mr. Simpson and of Mrs. Simpson, who was staying in one of Mr. Simpson's guest apartments.

He said he and Mr. Simpson chatted a few times the day of the killing. He recalled Mr. Simpson saying that he and his former wife "were not together anymore." He said he and Mr. Simpson went out for

his 11:45 P.M. flight.

In his testimony, Mr. Park told the prosecutor, Marcia Clark, that he did not remember seeing Mr. Simpson's white Ford Bronco outside the house when he came by.

He said until the black person arrived at the house, he saw only one upstairs light on; no one answered the intercom and no one answered a call he made from a car telephone into the home.



BENT OUT OF SHAPE — A 13-year-old girl performing contortions for spare change in a park in Guangzhou, the capital of southern China's Guangdong Province. The boomtowns of southern and eastern China attract many who aim to make money.

China Executes 2 in Graft Fight

Beijing's Drive Targets Corrupt Officials

Compiled by Our Staff From Dispatches

BEIJING — China, trying to root out corruption that has sprung up along with economic reforms, executed two former officials and jailed two others for graft, the official People's Daily reported Tuesday.

Guo Ziwen, 52, was sentenced to death for taking 468,000 yuan (\$54,000) in bribes and obtaining 1.09 million yuan through selling foreign currency quotas illegally, the newspaper said.

Mr. Guo, who was executed Monday, was former general manager of China Coal Sales & Transportation Co., an enter-

prise run by the central government.

Hu Cong, 38, who also was executed Monday, had been charged with taking bribes of 1.37 million yuan to extend state loans to unqualified rowers illegally.

He was a former mid-ranking official of the government-owned China Rural Development Trust & Investment Co.

The Supreme Court also announced prison terms of 6 and 12 years for two officials of government departments accused of taking bribes.

The government, citing concerns about social stability, has sought to strengthen its anti-

Indonesian Press Protests Publication Ban

Agence France-Presse

JAKARTA — About 150 journalists in Indonesia resumed protests on behalf of three banned news publications Tuesday, less than a week after security officials vowed to quell any new demonstrations.

Dozens of policemen in anti-

riot gear stood by near the building's gate but the situation remained peaceful, despite a warning last month from the Jakarta police chief, who promised a crackdown on further protests.

Last month, the government revoked licenses to publish from three popular weeklies — Tempo, Editor, and Detik — which had criticized a minister close to President Suharto.

Journalists said Tuesday that any measures taken against news organizations should be done through legal proceedings.

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ICC Country-to-country calling available. Not yet available within all international locations. Certain restrictions apply. * Limited availability. ** Was for second line. * Available from LADATEL.

THE AMERICAS / OF POLITICS AND PRINCIPLES

AMERICAN TOPICS

Tolerance Runs Out When Names Collide

When the Anti-Defamation League, a national Jewish organization, heard about the formation of the Catholic Anti-Defamation League in St. Paul, Minnesota, it informed the new organization that the name was already taken.

Others who tried to use it were ordered by the courts to find different names, the Anti-Defamation League warned.

"It was clear that the group had legally protected its name," said Rosemary Kaszakert, head of the Catholic organization's legal task force. Last month, the group's board voted to change its name to the Catholic Defense League.

The rationale was that, since both organizations are essentially in the same business — protecting religion rights and freedoms — it would be best to "switch, not fight," she added. "We need to be friendly organizations cooperating wherever possible."

Short Takes

The French often identify wines by the names of regions, appellations and estates: Bordeaux, Pauillac, Mouton-Rothschild. In the United States, varietal wines — identified by the grape they are made from — are the rule: chardonnay, cabernet sauvignon, zinfandel. The wine writer and importer Frank Schoonmaker is said to have been the first to promote varietal names in California in the 1930s. He wanted American wine makers to get away from anonymous blends called burgundy or claret or chianti. Now, Frank J. Prial reports in *The New York Times*, many French wine makers are strengthening their U.S. sales by using varietals, or *vins de cépage*. Alsatian wines have always been known by grape type, like riesling and gewürztraminer.



HOT DOGGER — Mike Devito eating 20 hot dogs in 12 minutes to win a contest at Coney Island, New York.

Now, varietal names are sweeping the south of France. Education officials in Maryland want teachers to get five years of college instead of four, a standard that California has adopted and several other states are considering. Education majors would get a liberal arts degree, with plenty of mathematics and science, and only take education courses in a fifth year. Opponents of the idea say this would simply drive would-be teachers to other states. Virginia, taking a middle course, requires prospective teachers to major in the subjects they want to teach and, in effect, to minor in education.

Air conditioning has indeed made life more livable. But,

International Herald Tribune

POLITICAL NOTES

Clinton's 'Janitor' Sweeps Up

WASHINGTON — In March 1992, a few days after the first news account appeared on Bill and Hillary Clinton's Ozark real estate investment, James B. Blair set out to bury Whitewater as a campaign issue.

When he was done, James B. McDougal, Mr. Clinton's volatile partner in the venture, had dropped from sight and stopped giving interviews or documents to reporters. The remaining Clinton debt in Whitewater was paid off, and the affair was relegated to obscurity for the balance of the 1992 campaign.

After Mr. Clinton was elected president, Mr. Blair helped the Clintons sell their share in the Whitewater Development Co. And when Vincent W. Foster Jr., the deputy White House counsel who committed suicide in July 1993, had trouble filing the company's delinquent tax returns, Mr. Blair took over the task of prodding a Little Rock accounting firm to complete the work.

Mr. Blair, the general counsel for Tyson Foods, the nation's largest poultry company, was a natural choice for such delicate missions. Over Mr. Clinton's political career, he had already played an influential, if largely unseen, role as sounding board, confidant, fund-raiser and emissary. He anchored the Clinton finances in 1976 and 1979, guiding

Mrs. Clinton to nearly \$100,000 in profits from trading in commodity futures.

Mr. Blair modestly describes his Whitewater work as "janitorial services."

The relationship between Jim Blair and Mr. Clinton stretches across two decades, beginning in the early 1970s when Mr. Clinton was a young law professor at the University of Arkansas and Mr. Blair was teaching a course in contract law.

Bill Bowen, Mr. Clinton's last chief of staff while governor of Arkansas, said that Mr. Blair and his wife, Diana, a professor of political science at the University of Arkansas, would have been consulted "on every major confrontation" since Mr. Clinton became a public figure. "It is clear both from the record and their friendship," he said. (NYT)

Quote/Unquote

Jeff Brown, a public defender in San Francisco, describing his reaction when, while being interviewed in the studio of a television station about the O.J. Simpson case, he glanced up at a monitor showing a rival station's program and saw a colleague, Peter Keane:

"For crying out loud, there was Peter. We were competing against each other for ratings!" (LAT)

Clinton's Health Care Quandary: Fudge or Fight?

By Michael Wines
New York Times Service

WASHINGTON — Hillary Rodham Clinton faces a dilemma, and it can be summed up in a barb she once tossed at health-care lobbyists in a private bargaining session in Washington.

"We were trying to work out varying ways of dealing with some of the differences" over national health insurance, recalled Pam Bailey, who heads a coalition of hospitals and medical companies, "and suddenly she said to us, 'Bill and I did not come to Washington to fudge the issue.'

That was in January. Now, in July, many experts say a national health insurance plan will pass Congress only if President Bill Clinton and his wife fudge the issue, relaxing their bottom-line demand that the insurance cover everyone and casting the passage of a less ambitious plan as a victory for society.

If the Clintons hold firm, they will be taking a high-stakes political gamble that they could easily lose. It is a contest of politics and principle, and it is the mark of Mrs. Clinton that principle re-

mains a contender, at least in the minds of people who know her well.

It is also why some suggest that Mrs. Clinton is less suited for the double-jointed bargaining probably needed if an insurance plan is to become law.

"Her biggest attributes are also her biggest weaknesses," said a Democratic senator at the center of the debate. "I think she's a person with very firm convictions. I think her husband is much more willing to say, 'I've got to compromise, I've got to get things done.'

Of course, this is the stereotype of the Clintons: the inflexible, ideological and rather lawyerly first lady as spine-stiffener for a malleable, anxious-to-please president.

Some White House officials say that portrait is a half-truth and Mrs. Clinton's poker face is just the mask of an extremely tough negotiator.

In the White House, aides say, she is the senior adviser and strategist on health care, meeting every few days with the president and perhaps a dozen policy aides and political advisers to map

the legislative and public-relations campaigns ahead.

"She's a pragmatist," said an official who has worked on the plan, speaking on the condition of anonymity. "She won't send health care down the tubes — no doubt about it. For one thing, she doesn't want to allow her husband's presidency after two years in office. And face it, that's what it is."

Mrs. Clinton will not tip her hand one way or the other. In the midst of a speaking campaign for the administration health plan, she declined last week to be interviewed. With national health insurance on the brink of epochal legislative victory, or maybe ruinous defeat, she seems unflinching.

That stance is most notable on the major sticking point in the negotiations: the repeated warning that Mr. Clinton will veto legislation that does not guarantee insurance to all.

The notion of guaranteed insurance is popular, in part because it would spread insurance costs over the entire population and simplify accounting. But its political prospects seem dim to some

because the small-business lobby, most Republicans and some Democrats oppose the only realistic ways to get there: raising taxes, or forcing people to buy insurance.

In a White House meeting on June 19, both Mrs. Clinton and the president sharply rejected advice by some political and economic advisers that the time for bargaining was running out and that the odds against passing legislation would rise unless some movement was made toward an accord with opponents on universal coverage.

Mrs. Clinton went into private meetings to give fist-shaking speeches to supporters in unions, consumer groups and retired people's organizations, warning that universal health coverage was in grave danger. That helped stall an attempt in the Senate Finance Committee to hack away from guaranteed insurance.

The senators said nothing publicly, but some were privately furious.

"We would have been in the reality zone a long time ago," said one senior aide, had it not been for what he called Mrs. Clinton's "health-care cult."

A Murder Shows the Crushing Cost of U.S. Crime

By Pierre Thomas
Washington Post Service

WASHINGTON — The moment began running the moment the call came in to police headquarters: James Hunter, 18, was lying on the pavement in a pool of blood with multiple gunshot wounds.

Patrol officers raced to the scene, followed by detectives, forensic officers and a supervisor. Their estimated cost for the night: \$4,626.

Emergency vehicles rushed Mr. Hunter to a Washington hospital, adding another \$1,310, where he was pronounced dead on arrival. His autopsy cost \$1,046.

By the time the medical examiner completed his work, 12 hours after the shooting, Mr. Hunter's killer had cost the city at least \$6,982, or \$582 per hour, according to estimates provided by the District of Columbia's budget office.

The toll continues to rise as police search for his killer. If they apprehend a suspect, there will be jail costs, trial costs and, if there is a conviction, it will cost about \$22,000 a year to house his murderer at a prison.

Dollars alone cannot measure the cost of the murder of a young man. But at the same time, Mr. Hunter's death illus-

trates the gigantic financial burden that crime is placing on the United States in the 1990s.

Each year, the country is spending or losing in excess of \$163 billion as a consequence of crime, according to the Justice Department, the insurance industry and academic researchers. This is nearly two-thirds of what the United States spends on defense and more than five times as much as the federal government spends on education.

Crime costs include more than \$31.8 billion at the state and federal level for police; \$24.9 billion for corrections; \$36.9 billion in retail losses; \$20 billion in insurance fraud and \$17 billion for individual property losses and medical expenses. Another \$15 billion is spent on private security, \$9.3 billion on court costs and \$7.2 on prosecution and public defense.

Crime also is costing Americans more through higher prices as companies and individuals seek to make up losses from theft and other unlawful acts.

Consider:

• Violence increased the country's health care costs to \$13.5 billion in 1992, White House officials say. About 85

percent of hospital costs for shooting and stabbing victims is not covered by insurance and is eventually passed on to paying consumers.

• Insurance fraud and motor vehicle theft costs \$28 billion, according to the National Insurance Crime Bureau. At least 10 cents of every premium dollar goes to cover fraud and crime.

• Shoplifting, internal pilferage and other losses cost retailers about \$36.9 billion each year, retail analysts say. That raises the cost of each item by 2 percent to 4 percent as retailers try to cover such losses.

• As of 1990, there were 1.65 million people employed in the U.S. criminal justice system and 900,000 working as security guards, according to Justice Department statistics.

Crime costs money indirectly as well. In Washington, for example, a recent Census Bureau report revealed that the city's population fell by more than 29,000 people in the last three years. Crime, according to some civic leaders, was one of the principal reasons for the loss, which contributed to the erosion of the city tax base.

Similar scenarios are unfolding

throughout the country, and concern about crime forces Americans to change their lifestyle and demand that something be done to make their lives safer, despite some statistics showing general decreases in certain categories of crime.

As a result of the fear, security and corrections have emerged as leading growth industries.

"The perception of threat is at an all time high," said John Galante, executive director of the Security Industry Association. "Even though property crime is down, some categories of violent crime are up and there is a change in the nature of violence. It seems more random, as if it can happen to any of us."

There are 15 million active accounts for monitoring systems or alarm systems for residences and business, producing \$2.15 billion in revenue for companies providing such services, according to a recent security market overview by Mr. Galante's association.

James Hunter's father, James, 48, said he thought the only thing that would resolve the crime problem was prayer.

"It just seems like there is no love out here anymore," said the man who recently buried his only son.

Cost of the funeral: \$7,000.

Haitians Rescued at Sea Are Barred From U.S.

Compiled by Our Staff From Dispatches

with Dominica and Antigua to establish other safe havens.

Those boat people who are in need of protection will be given the opportunity to obtain it in safe-haven camps," Mr. Gray said.

Those who take to the boats will not have resettlement possibilities in the United States.

He said Haitians who apply at U.S. offices inside Haiti would be allowed to come to the United States if granted refugee status based on a validated fear of persecution.

The administration also said that it was sending a four-ship amphibious assault group to Haiti. The Pentagon said the ships, with 2,000 Marines on board, would stand ready to evacuate U.S. citizens from the island should the need arise.

Mr. Gray made the announcement after about 100 Haitians died when their vessel capsized.

Asked about the possibility of an invasion of Haiti by U.S. military forces, Mr. Gray said, "There is no military invasion imminent." (AFP, AP, Reuters)

Away From Politics

• About 200 women have joined a class-action lawsuit against the maker of the Norplant contraceptive implant, Wyeth-Ayerst Laboratories, claiming they suffered permanent injury during removal.

• A prison inmate tried to cut Jeffrey Dahmer's throat during a chapel service, but the serial killer ended up with only a minor scratch on his neck. The razor blade on the inmate's homemade knife fell off before it could hurt Mr. Dahmer, who is serving 16 consecutive life sentences in Wisconsin for killing 17 young men and boys and eating parts of their bodies.

• Fireworks being launched from a pier in Pompano Beach, Florida, exploded prematurely, killing one person and injuring three

others, two critically, officials said. And in Gloucester City, New Jersey, a fireworks shell veered into a crowd gathered on a Little League field, injuring about 30 spectators, officials said.

• The U.S. Senate has agreed to turn over a surplus helicopter carrier, the Guadalcanal, to a New York City museum, which intends to use it as a heliport.

• A judge upheld the firing of a Calvin Klein fragrance demonstrator dismissed because her bosses believed her body odor made her a poor perfume saleswoman. Sharon Bagnall, 52, was fired by Calvin Klein Canada in 1991 for what the company termed a "serious personal hygiene problem" and for allegedly disruptive behavior at odds with the cosmetic giant's image.

AP, NYT

Ann McGarry Buchwald Dies

New York Times Service
Ann McGarry Buchwald, 74, a writer, former literary agent and wife of the humor columnist Art Buchwald, died of lung cancer on Sunday at her home in Washington.

In the 1970s Mrs. Buchwald was a Washington partner of Irving Lazar, one of the top literary and talent agents in Hollywood.

But in 1974, after Mr. Lazar agreed to try to sell the memoirs

of former President Richard Nixon, Mrs. Buchwald ended the partnership, citing a conflict of principle because her husband had written many satirical columns about Mr. Nixon and the Watergate scandal.

Zelma Watson George, 90, a sociologist, musicologist and performer who in 1950 became the first black woman to take a white role on Broadway, died of heart failure Sunday at University Hospitals in Cleveland.

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What Solution for Yemen?

The civil war tearing Yemen apart threatens wider trouble. Other Arab countries have become involved, including, by some accounts, Saudi Arabia, Iraq and Sudan. Both Yemeni sides are oil producers. And a military attack against the southern port of Aden could produce a humanitarian disaster, imperiling more than 400,000 inhabitants.

Conservative Arab regimes, led by Saudi Arabia, sought a United Nations peace-keeping force to halt the north's offensive. So far, UN efforts have been limited to unsuccessful mediation attempts and useless cease-fire agreements that break down almost instantly. The Saudis and their allies also are poised to recognize the south, which would recreate the two independent Yemens that merged in 1990. The United States, however, opposes recognition. It has persuaded the Security Council to authorize merely a regional monitoring force, which would be deployed only after a last cease-fire taken hold.

Unified Yemen held promise as a testing ground for democracy in a region noted for despotism. But beneath the democratic surface, two prickly leaders battled

—THE NEW YORK TIMES.

Russia's Economy Waits

When the Russian prime minister, Viktor Chernomyrdin, visited Washington last month, he attended the signing of the contract for another enormous oil and gas project. This kind of investment holds great hope for the Russian economy, far more than foreign aid. But the project — like others that have been announced but not yet actually begun — depends on legislation by the Duma to establish basic rights of property and rules of taxation. That legislation raises many issues that Russia is finding difficult to resolve, and it is crucial to the country's economic future.

This latest enterprise would go after the huge reserves of oil and natural gas under the Sea of Okhotsk off Sakhalin Island. It envisions investment in the range of \$10 billion by a consortium of five companies — two American, two Japanese and one European — headed by Marathon Oil of Houston. They expect that as much as 70 percent of this investment would be spent on Russian payrolls and equipment. Once in operation, wells would provide a stream of foreign currency earnings, as well as fuel for Russian homes and industries.

Russian oil production is not much more than half the peak of a decade ago. The drop has been caused partly by the general chaos of the economy, but mostly

—THE WASHINGTON POST.

Abortion and Free Speech

At the center of all the litigation in America on access to abortion clinics is the conflict between the rights of patients and staff to obtain and provide abortions — a right guaranteed by the constitution — and the right of abortion opponents to picket and demonstrate at clinics, a right protected by the free-speech clause of the First Amendment. Last week, the Supreme Court considered one of these cases, weighed the competing rights and provided some limited guidance for lower-court judges. In this case, which involved a court injunction, the justices made reasonable choices.

In the summer of 1992, abortion protesters began demonstrations at a clinic in Melbourne, Florida, and at the homes of clinic staff members. A state court prohibited the demonstrators from blocking access to the clinic and physically abusing patients who sought to enter. Six months later, enjoined activities were continuing, so the court issued a broader injunction barring the protesters from picketing or demonstrating within 36 feet of the property, being excessively noisy during certain hours, displaying signs that could be observed by patients inside the clinic, approaching any patient without her consent within 300 feet of the clinic in order to provide "counseling" and demonstrating within 300 feet of a clinic employee's res-

—THE WASHINGTON POST.

Other Comment

Jobs and the Naples Agenda

I want to brief you on what we see in the Naples summit. We'll be looking at our progress to date and see where we go from here. We're beginning to see signs of economic recovery in the G-7. We're seeing it in Eastern Europe, and in turn, we're seeing it in Russia. But our major concern continues to be economic growth and the creation of jobs. We're in much better shape than we were in Tokyo, when many of the G-7 countries were seeing their economies deteriorating. The strategy we put in place last year is working: for the United States to cut its bud-

get deficit — and we're well ahead of schedule on that one; for Europe to cut interest rates; and for Japan to stimulate its economy. As a result, G-7 economies will grow 2.5 percent in the GNP this year, versus a growth rate last year of approximately 1 percent.

The United States has done particularly well. We have 40 percent of the GDP of the G-7 countries, but we've had 75 percent of that growth. Beyond growth, there will be a heavy emphasis on jobs. The president feels very strongly on this one.

—Treasury Secretary Lloyd Bentsen at a news conference in Washington.

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North Korea: Prepare for High-Voltage Power Politics

By McGeorge Bundy and Gordon M. Goldstein

WASHINGTON — The coming negotiations between North Korea and the United States are as important for nuclear peace as the negotiations between John Kennedy and Nikita Khrushchev at the height of the Cuban missile crisis. Those negotiations were tense, and they ended only when the two principals worked their way to an understanding that included concessions on both sides. But one crucial matter was decided on the American side, and announced to the American people, before the negotiation began: The Soviet missiles must leave Cuba.

Washington's cautious approach to the Yemen crisis, encouraging regional action outside the UN framework, is a good example of the way the Clinton administration, chastened by the Somalia fiasco, now intends to pursue multilateralism. It is a sensible policy. The United Nations cannot afford to go everywhere and does not always have a useful role to play in internal conflicts. But relying on regional forces also has risks. In larger operations, participating armies are left free to pursue their own national interests. Meanwhile, the problem of inadequate UN performance is sidestepped rather than remedied. And in Yemen, regional monitoring may be able neither to stop the war nor contain its wider repercussions.

—THE NEW YORK TIMES.

the support he will need if this requirement of effective international supervision is to be respected and supported by others.

What makes the cooling fuel rods crucial is that if they are not either removed from North Korea or brought under international control, there will be no way of knowing if they are being used to make up to six or eight North Korean nuclear warheads. But the lively and ominous possibility of a North Korean nuclear arms trade with Iran or Libya or even terrorist organizations.

There is another parallel to the missile crisis. A successful negotiation will have to be satisfactory to both sides. Mr. Kim will have to have his own success in the meeting, whether in trade or other "concessions." Mr. Kennedy was lucky in 1962; he could withdraw the American warheads on unilateral secret decision.

Mr. Clinton has no such simple choice as he considers what can make the coming meeting a success for Mr. Kim, too, but the matter deserves intense consideration. And where public or congressional support, or both, may be needed, the argument in favor of such action should be set forth ahead of time. If Mr. Kennedy had required public support for the Turkish missile trade, he would have found it hard to get. He had disliked those missiles for years, but he had not said so out loud, and still less had he sought public support for his sensible view.

Fortunately there is in the present case one very important aspect in fact respecting his side of the arrangement sketched out — but not at all concluded — in his talks with Jimmy Carter.

The analogy to the missile crisis is clear: America saw the Soviet missiles leave Cuba; it must see that the fuel rods come under effective international oversight before they are cool enough to be moved and hidden. America needs this result because without it there will be no solid agreement at all with Mr. Kim, only an intensified crisis of fear and nuclear distrust. That is exactly what Soviet missiles remaining in Cuba would have meant in 1962.

Before the coming discussions

begin, Mr. Clinton should make this requirement clear to the American people and indeed to all concerned. In 1994, failure to achieve control over the fuel rods would mean not only a potentially severe nuclear threat to South Korea, Japan and others in the region, but the lively and ominous possibility of a North Korean nuclear arms trade with Iran or Libya or even terrorist organizations.

If a foreign statesman happens to value such things highly, should Americans object? Or should they be delighted to trade such international good manners toward the substance of an explicit North Korean turn away from the temptations of leading a black market in nuclear weapons? If the July meeting made possible by Mr. Carter can decisively resolve the fuel rod problem, that result will be well worth a presidential demonstration of American good manners toward the foreign negotiating partner who makes that outcome possible.

Resolute negotiation can definitively test the sharply debated proposition that Mr. Kim is ready to trade away a prospective large-scale nuclear capability. If conducted properly, this test will demonstrate North Korea's real intentions. If they accept a bargain, the crisis is resolved. If they refuse a bargain, then Mr. Clinton's effort will strengthen his hand both domestically and internationally for the response that must follow.

There is one important difference between this affair and the missile crisis: The Americans are

not alone this time. Of course the United States had allies and friends to consult and to reassure in 1962, but there was no way for them to help America directly in the crucial task of persuading Mr. Khrushchev. Now it is different. By challenging the credibility of the global nonproliferation regime and its treaties, North Korea's nuclear ambitions threaten the entire international community.

America has friends with interests at least as strong in its own in avoiding a major North Korean breakout. That means that Washington must talk and listen to the governments in Beijing and Seoul and Moscow and Tokyo, and indeed to many more. It also must give timely attention to the UN Security Council, which is the final international authority on nuclear behavior. North Korea's nuclear ambitions threaten the entire international community.

We say "politics" deliberately, and as a form of praise. This is a problem in power politics, not an exercise in soothing words, and in this hard world it is a good thing for all of us that today the Security Council matters.

Mr. Bundy, special assistant for national security affairs from 1961 to 1965, is chairman of the United Nations Association Project on the Security Council and Nonproliferation. Mr. Goldstein is director of the project. They contributed this comment to The Washington Post.

Saudi Arabia's Solid Foundations Assure a Durable Kingdom

By Bandar ibn Sultan
Prince Bandar is Saudi Arabia's ambassador to the United States.

and a number of other programs — but still no income taxes.

Just in the past year, King Fahd has put into effect a law that reinforces fundamental guarantees and establishes a consultative assembly nationally and in each province. We have a staunchly independent judiciary, as detailed in a five-year study completed last year by a member of the Harvard Law School faculty. Most important, we are building our nation based on our own values, faith and culture.

Foreign imports are nice as shiny or high-tech "things." But intangible social and political institutions imported from elsewhere can be deadly. Ask the shah.

A constant problem with so much of the West is the pervasive need for short-fused solutions and instant gratification. Our pace is more for long-distance running, for durability.

We are strong friends of the United States and were that was not fashionable. Not just now and not only because of "Desert Storm" but because America was never really a colonial power in the world and the heartland of Saudi Arabia was never a colony. As well, we have important mutual interests. It was important, too, that the U.S. was anti-communist. So were we, for deeply held religious reasons. It is also relevant to the U.S. that the U.S. champions a free economy and a vigorous private sector. So do we.

It's important, too, that the American people (but not necessarily some activists in the media and elsewhere) generally respect other people's cultures. The hundreds of thousands of Americans who have worked and lived in Saudi Arabia over the years have made it clear that Americans are individualists. So are our people. At the same time, we come from an almost timeless culture and firmly hold to our religious faith. Islam for us is not just a religion, but a way of life. We Saudis want to modernize, but not necessarily Westernize. We respect U.S. society even if we disagree on some matters, and we do.

Our stability will ultimately depend, of course, on our people's attitude toward our leaders' policies. That wonderful Massachusetts political philosopher, the late Tip O'Neill, was globally insightful when he emphasized, "All politics is local."

It does not help King Fahd, for example, to look good for The Washington Post or others in Washington but not to work within the overwhelming consensus

in downtown Riyadh and the rest of Saudi Arabia. What Western human rights or other politically correct groups here may want doesn't help King Fahd at all when the Saudi people have a strong, differing view of their own, based on Islam and our other basic ways.

We don't have to like all America does, and it doesn't have to like all that we do. But together we can respect each other's rights to our own basic values and ways in our respective societies and be civil with each other when we disagree.

As to the complaint about police excesses in Saudi Arabia, we have long had clear and specific Islamic laws against those, as we cited in a U.S. Supreme Court case in which we prevailed last year. English-language sources, easily researched, show those laws being enforced by both our courts and executive branch.

The problem, as the Rodney King case in California dramatizes, is in handling the occasional inevitable exceptions to responsible law enforcement. But neither the United States nor Saudi Arabia are alone in having to cope with that. We continue to work on it. We hope America is as well, undistracted by finger-pointing. And so here I go again: Saudi Arabia is very stable as it moves steadily ahead.

The Washington Post

Asians Need to Get Involved in a New Regional Security Order

By Paul Y. Hammond

SINGAPORE — The Clinton administration's foreign policy fumbling has drawn attention away from more fundamental questions about the role of the United States in Asia, where America's strategic presence risks being undermined by the growing relevance of nations in the region to provide greater support.

Asians have lost much confidence in American leadership. Yet they have done little to keep U.S. military power available to serve the interests of order and security in their region.

In the late 1980s, all members of the Association of South East Asian Nations and most other East Asian governments wanted U.S. forces to remain at Clark Air

Base and Subic Bay Naval Station in the Philippines. Yet only Singapore showed any concern that Manila would seek to have them shut down. Lee Kuan Yew, Singapore's senior minister, offered to rent military facilities in Singapore to the United States as a partial substitute for Clark and Subic, and he timed his offer to make a point to Manila while it was negotiating with Washington.

No other country in Asia took a public stand on the issue, although Kim Beazley, Australia's defense minister, tried unsuccessfully to put together a multilateral announcement by regional states endorsing the value to Asian se-

curity of having U.S. forces in the Philippines. Mr. Beazley's intent was to make it easier for Manila to face down the nationalist challenge to the U.S. bases.

Asian states wanted to enjoy the strategic benefits of the bases but were unwilling to share with Manila the political burden of their location. They also were unwilling to encourage the United States by offering alternative basing facilities, claiming that this was politically impossible.

Such free riding continues to day when the risks of conflict are even greater. Viewed in this light, East Asia's muted reaction to the North Korean nuclear crisis is

particularly discouraging. One would think that North Korea's missiles were aimed at American, not Asian, targets.

It is dangerous for Asians to assume that the foundations of their strategic order will remain in place without their active involvement in maintaining and strengthening it. This is a default, given the growing economic strength of East Asia and the claims of political and social maturity that the region makes in defending Asian ways of doing things.

With the end of the Cold War, the United States is becoming more selective in defining its national interests. This is a powerful impulse in both the Clinton administration and in Congress. Even committed internationalists in the United States insist that America should narrow its commitments to those that are absolutely vital.

Still, America is not about to turn away from Asia. It intends to participate in the region's economic growth. Asian countries will compete for American capital, trade and markets. But this does not mean that the United States will continue to play a security role in East Asia on terms that will satisfy the region unless Asians actively work to assure that the role to be played by America is satisfactory to them.

There are grave uncertainties

ahead for East Asia, especially for small and medium states in the shadow of Chinese and Japanese power. In the past, the United States was prepared to use its forces in the region to deter troublemakers and help maintain an equilibrium. Such a commitment can no longer be taken for granted.

Yet Asian countries are doing little to face up to the strategic and military implications of China's growing economic strength. If Washington bows to Asian demands that it confine U.S. foreign policy to nonpolitical objectives, Asians will have lost one of the few levers that might be used to influence the direction that China and Japan will take.

Admittedly, the Clinton administration's use of political leverage in Asia has been inept, but it will not get any better without practice. Asians, in turn, need practice developing their role as participants, rather than onlookers, in the new regional security order. The time for free riding is over.

The writer, a distinguished professor of Public and International Affairs at the University of Pittsburgh, spent the past year as a visiting fellow at the Institute for Southeast Asian Studies in Singapore. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: U.S. Labor Strike

NEW YORK — The strikers in Chicago and elsewhere are demanding trains, overhauling cars and otherwise rioting, despite the military. The latter are charging repeatedly, whereupon the mobs break up and return at other points. The regulars have refrained from shooting, driving the men back with their bayonets or with cavalry. Mr. Debs, president of the Strikers' Union, has issued a manifesto, saying: "The first shot fired by the troops will be the signal for an uprising of labor... precipitating a civil war."

Now That Great Powers Are Gone

WASHINGTON — For all the criticism aimed at President Bill Clinton and his highly personal style of government, it is not just he who has backed away from armed confrontation over North Korea, Haiti, Somalia and Bosnia, but American society. The world wants the United States to act as a Great Power, but Americans decline the honor; they are not willing to pay the price in blood.

During much of the Cold War as before it, local and regional conflicts were often instigated or at least encouraged and materially supported by rival Great Powers. Now it is the absence of functioning Great Powers that is the cause of the world's inability to cope not only with aggressive Small Powers such as Serbia, not only with secessionists of all kinds, but even with mere armed bands on a rampage.

By the classic definition, Great Powers were states strong enough to successfully wage war on their own. That distinction is now outdated. The issue is not whether war can be made with or without allies, but whether war can be made at all. For there was a tacit condition to Great Power status: a readiness to use force whenever it was advantageous to do so, accepting the resulting combat casualties with equanimity so long as their number was not disproportionate.

In the past, while Great Powers would normally be able to rely on intimidation rather than combat, that was only so because it was taken for granted that they would use force when called for. Nor did a Great Power conceive of limiting its use of force in situations in which genuinely "vital" interests — that is, survival interests — were at stake. Great Powers could remain "great" only if they were seen to be willing and able to use force to protect interests far from vital, and indeed to acquire more nonvital interests in the form of dominant possessions or expansions of their spheres of influence.

It suffices to mention the Somalia debacle precipitated by the loss of 18 U.S. soldiers, and the hasty retreat of the U.S. warship *Hairpin* County when challenged by a small group of armed Haitian thugs, to expose the unvility of the Great Power concept in our own days.

The condition is far from exclusively American. Most recently, Britain and France (not to mention Germany) refused to risk their forces to resist aggression in the former Yugoslavia. To be sure, no European power has any vital interests in the former Yugoslavia. But that is the very essence of the matter. Historical Great Powers would have viewed the disintegration of Yugoslavia not as a notorious problem to be avoided but as an opportunity to be exploited. With the restoration of law and order as their

By Edward N. Luttwak

Unless we are content to cohabit with chronic disorder and widespread violence, a synthetic version of Great Power "law and order" interventionism will have to be invented. The remedies currently available are inadequate. Having powerfully equipped armed forces is ineffectual when intimidation fails and still we refuse to fight.

As for collective military action organized by the United Nations, it may include a good unit or two, but it also entails least-common-denominator strategic decisions, chaotic command arrangements, inefficient if not corrupt supporting staffs, and a prevalence of troops neither able nor willing to fight.

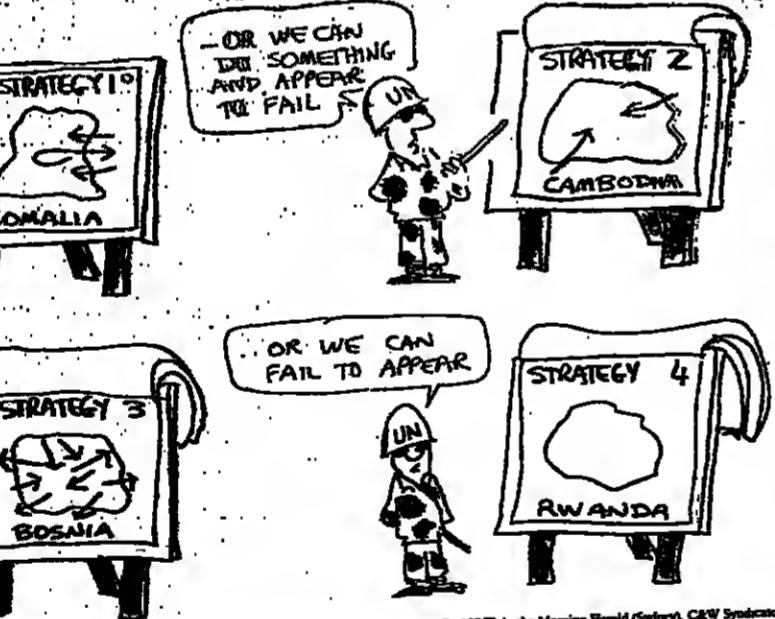
We are therefore left with two rather improbable schemes. Both circumvent the societal refusal to accept the casualties of war. Both could be organized. Yet both would be furiously opposed by the military establishment, and undeniably have unpleasant moral connotations.

One scheme would be to copy the Ghurka model, recruiting troops in some suitable region abroad. America's "Ghurkas" would provide the infantry units with native U.S. forces providing the more technical forms of combat support that carry smaller risks and fewer casualties. The alternative is to copy the Foreign Legion model, with U.S.-officered units manned by "denationalized" individual volunteers, perhaps attracted by the offer of U.S. citizenship after a given term of service.

The United States did raise ethnic mercenary units in Indochina, with rather good results, and did recruit foreign volunteers for Europe-based Special Forces. So neither scheme is as outlandish or unprecedented as it may seem. Still one would not want to bet that they would be seriously considered, let alone adopted.

If we can find no remedy for the passing of the Great Powers, we will have to learn not to see, hear or feel much that would otherwise offend our moral sensibilities. Richer inhabitants of the poorest countries learn from youngest childhood how to politely step over the quadruple-amputee beggar in their path without looking at him, as they enter a restaurant or bank. Blindness, too, can be learned, and we too will have to learn how to passively ignore avoidable tragedies and horrific atrocities. But of course the experience of Bosnia-Herzegovina shows that we have already made much progress in that direction.

The writer is a senior fellow at the Center for Strategic and International Studies and author of "The Endangered American Dream," contributed this comment to *The Washington Post*. A longer version of it will appear in the forthcoming issue of *Foreign Affairs*.



By MOIR in the Morning Herald (Sydney). CRW Syndicate.

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Appears on Page 5

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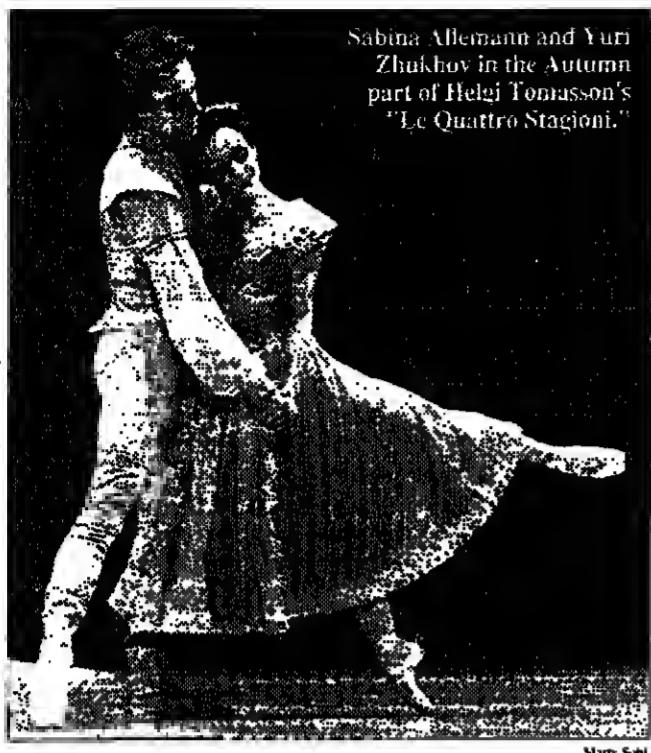
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STAGE/ENTERTAINMENT

A Blossoming of the San Francisco Ballet



Sabina Alleumann and Yuri Zhukov in the Autumn part of Helgi Tomasson's "Le Quattro Stagioni."

By David Stevens
International Herald Tribune

PARIS — The San Francisco Ballet, at the Palais Garnier through Sunday on a one-stop trip to Europe, dates its existence from 1933, which makes it marginally the oldest American dance troupe in continuous existence.

More to the point, to judge by the freshness of the first of its two programs here and the scope of its plans for the next year — including the sponsoring of a new international dance festival next May — it is a company bursting with health and ambition after a decade with Helgi Tomasson as artistic director and principal choreographer.

The company's close links to the creations of George Balanchine — Tomasson was for 15 years a soloist with the New York City Ballet and his predecessor, Lew Christensen, was also a Balanchine dancer — was marked by the presence of "Bugaku." In this 1963 work, Balanchine captured the atmosphere of stylized Japanese theater while staying within his own vocabulary. Muriel Maffre and Ashley Wheater (respectively products of the ballet schools of the Paris Opéra and London Royal Opera) were the stylish principal couple, and David Hays's set design looked as coolly elegant as ever.

Tomasson's "Le Quattro Stagioni," set to Vi-

valdi's evocation of the seasons, is a group of four bucolic divertissements, atmospheric pieces somewhat in the manner of Jerome Robbins's Chopin sets, and a useful addition to the company's traveling kit in that it shows off the troupe's depth. Tina LeBlanc and Christopher Stowell made a particularly appealing and poised duo in Spring, and Anthony Randazzo was the vigorous soloist in Winter. Evelyn Cisneros in Summer and Sabina Alleumann and Yuri Zhukov in Autumn were the other soloists.

Agnes de Mille's "Rodeo," and the score Aaron Copland wrote for it, were instant hits in 1942 and they hardly seem to have lost any appeal in a half century, even if the charm is a bit corny and the shotgun marriage of square dance and ballet a bit dated. Joanna Berman was just right as the tomboy cowgirl who finally hillocks just as a woman. Wendy Van Dyck was her willowy rival, and Randazzo and David Justin were the appropriately macho frontiersmen as the Head Wrangler and the Champion Roper.

The second program, also of three dances, offers "Maelstrom," a new choreography by Mark Morris; Tomasson's "Nanna's Lied," set mostly to a selection of songs by Brecht and Weill; and Balanchine's Gershwin ballet, "Who Cares?" It will be performed Thursday through Sunday evenings. Remaining performances of the first program are Wednesday evening and Saturday afternoon.

LONDON THEATER



Topol as Tevye and Sara Kestelman as Golde in 'Fiddler on the Roof.'

Child's Puzzle, for Adults

By Sheridan Morley
International Herald Tribune

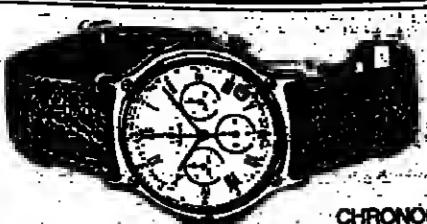
LONDON — David Mamet's "The Cryptogram" offers what its title promises, a series of puzzles, one of which is why the producers allowed themselves to be bullied by the Ambassadors Theatre into imposing a totally pointless and destructive interval (presumably in the interests of bar profits) 20 minutes into a play that lasts barely another 60.

The next puzzle is whether or not "The Cryptogram" is autobiographical. An ingenious program, one suggests, that the director, Greg Mosher, never bothered to ask, but since the central figure is a small boy in Chicago at about the time Mamet was, the odds would seem strong on memoir.

And that is about the best justification for the piece. It is neither a debate like "Oleanna" nor a dream like "Glengarry Glen Ross," but instead a memory piece not unlike Arthur Miller's "The Price." The boy has a mother (recently deserted by his father) and a gay neighbor. These three make up the entire company, and although there's a fatal lack of dramatic energy, what holds the attention is the way that everything is seen and heard through the eyes and ears of the boy (Danny Wortes or Richard Claxton). He alone still has a handle on the truth, still knows that things not clear now will become clear later if only his hold on the truth can be maintained. The two adults (Eddie Izzard and Lindsay Duncan) have lost that, and are left with the consequences of the lies they have told to keep themselves going.

"The Cryptogram" is that simple, and that complex: Adults deal in bad faith, children will listen. There are haunting fragments here of a boyhood gone wrong. The dark at the top of the stairs is where the boy comes from, and where he

goes to keep them from, and where he



BUSINESS

International Herald Tribune, Wednesday, July 6, 1994

EBEL
the architects of time

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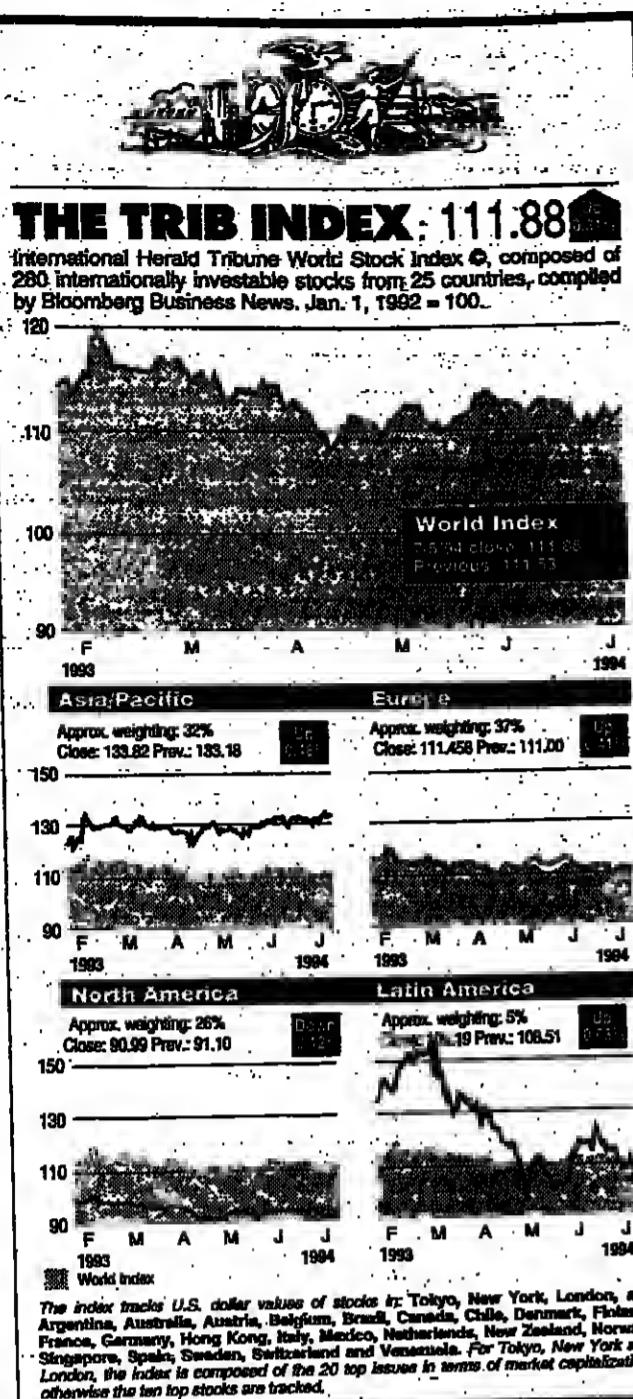


ABB Gets Chinese Orders

Power-Plant Deal Put at \$4 Billion

Compiled by Our Staff From Dispatches

BONN — China signed preliminary agreements Tuesday with the German electrical engineering unit of the Swiss-Swedish engineering concern ABB Asea Brown Boveri Ltd., and industry analysts said the accord for five power stations could be worth \$4 billion.

The company said it expected orders from China to reach \$1 billion this year.

Letters of intent to build power plants and upgrade existing ones, as well as to set up a joint venture to make electric locomotives, were signed on the second day of a visit to Germany by a delegation led by Prime Minister Li Peng of China.

The German unit of ABB, which now faces tough negotiations with Beijing to turn letters of intent into firm orders, said the power projects involved electricity-generating capacity sufficient to supply more than 4 million people.

The announcement followed Germany's agreement on Monday to help China modernize its transport and telecommunications networks, which could eventually produce billions of dollars in orders for Western companies.

Meanwhile, the issue of human-rights abuses in China has played only a small role in Mr. Li's tour of Germany. Dispirited human-rights groups said Tuesday that billion-dollar contracts promising jobs for Germans had persuaded a recession-weary public not to care.

But Foreign Minister Klaus Kinkel, who had vowed to address the rights issue "massively and clearly," handed Mr. Li a list of dissidents who he said Bonn was concerned about.

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

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(Reuters, Bloomberg)

Will the Fed Move Again? General Expectation Is: Not This Week

By Robert D. Hershey Jr.

New York Times Service

WASHINGTON — Federal Reserve policymakers, who began an eagerly awaited meeting Tuesday afternoon, will probably decide after long and spirited debate that the economy is slowing enough so that no immediate raise in short-term interest rates is required.

This is the view — not a consensus so much as a blend of opinion that masks sharp disagreement — that emerged from the comments of analysts on Wall Street and elsewhere in the private sector.

Such an outcome would mean denying the dollar — which has been battered of late, particularly against the Japanese yen — the support of higher rates that would make it and American investments more attractive.

But defense of the dollar is not often a high priority for the Federal Reserve, and the Clinton administration, which calls the shots on the dollar, so far has made no serious move to shore up the currency in advance of a meeting of the Group of Seven industrial countries in Naples at the end of the week.

Still, as analysts anticipated the two-day session of the Federal Open Market Committee that will plot monetary strategy for the next six weeks and set tentative targets for 1995, they said they would not be surprised by an increase later this month or at the next meeting of the committee on Aug. 16.

Such a rise could come if the economy continues to be thought likely to expand faster than is justified by its long-term potential, or should inflation — or the expectation of inflation — rise.

The Fed could also be moved to act if the dollar plunges in an unarrested slide. A weak

dollar aggravates inflation, probably more than import volume suggests, analysts say.

But for now, another force tending to keep the central bank on hold until Friday at least is that it is not until then that a key batch of economic statistics, the Labor Department's monthly survey of jobs, unemployment, wages and hours, will be published.

The unemployment rate — in this instance, for June — is considered a backward-looking

Some Fed-watchers would not be surprised by a rate increase later in July or in August.

indicator, and the Federal Reserve is particularly interested these days in looking forward in order to beat off inflation before it becomes evident.

But analysts will be watching intently to see whether the four-tenths of a point drop in May, to 6 percent, will be sustained.

The committee meetings that start Tuesday will also be the first in which Alan Blinder, the Princeton economics professor who has just been sworn in as vice chairman of the Federal Reserve Board, will participate.

Mr. Blinder has been serving on the president's Council of Economic Advisers, and analysts expect his influence, though probably not immediately visible, will tend toward holding rates steady.

"I would say no," said Barry Rogstad, an economist who is president of the American Business Conference, of the prospect of a rate rise this week. "I'm just not seeing where there's inflation potential there."

The Fed could also be moved to act if the dollar plunges in an unarrested slide. A weak

Texaco to Sell 300 Oil Fields And Cut Jobs

Compiled by Our Staff From Dispatches

NEW YORK — Texaco Inc. said Tuesday it would sell half of its U.S. oil and natural gas fields and cut \$300 million in costs by eliminating 2,500 jobs, or 6 percent of its global work force, over the next year.

The remaining U.S. oil fields account for more than 90 percent of the company's profit and production.

A spokesman said he did not know how much money the company hoped to realize from trading or selling half of its more than 600 U.S. sites, adding that Texaco had not yet determined how many job cuts would be through layoffs, attrition or early retirements.

Texaco has already eliminated 13 percent of its global work force in the past two years.

Texaco's move reflects a trend by U.S. oil companies toward emphasizing foreign operations, where opportunities for sales growth and new oil finds are perceived as better.

A week ago, Los Angeles-based Unocal Corp. said it was considering the sale of its California oil and natural gas producing properties so that it could better pursue foreign projects, especially in Asia.

Texaco is shifting its focus from aging domestic production sites toward more promising oil and gas ventures in the United States and abroad, including sites such as the North Sea and the Tarim Basin in China.

"We have arrested the decline in U.S. production, while increasing production by some 25,000 barrels per day internationally," said Texaco chairman and chief executive Alfred C. DeCrane Jr., referring to crude oil output.

The company also said it is streamlining its refining and marketing operations in Europe and Latin America, and is receiving bids for the sale of its interests in refining and marketing operations in Nigeria and other African countries.

Texaco said it will report a \$165 million charge in the second quarter for layoffs, property write-downs and other expenses.

William Randolph, an oil industry analyst at Salomon Brothers, said Texaco "is trying to show investors it can do more" regarding cost-cutting.

Texaco stock was up 87.5 cents at \$61 in afternoon trading. (AP, Reuters, Bloomberg)

ing movies judged ideologically too sensitive by the ruling Communist party.

A co-winner of Cannes' Palme d'Or award, Chen Kaige's "Farewell My Concubine" has had only limited exposure in China, and then only after cuts by censors.

Beijing is also seeking to bolster its control over the final version of films that are co-pro

See FILM, Page 10

China Sets Up Barriers to Protect Its Film Industry

By Kevin Murphy

International Herald Tribune

HONG KONG — China will clamp down on co-productions between domestic and foreign filmmakers and restrict foreign film imports to less than a third of its burgeoning movie market, an official newspaper reported Tuesday.

The measures come as Beijing is pushing hard to join the General Agreement on Tariffs and Trade on preferential terms

and while it tries to avoid a trade clash with the United States over the protection of intellectual property.

A spokeswoman for the Motion Picture Association of America said that China already has a "shadowy, unwritten system of quotas" for imported films, videos and television.

The official China Daily said that the Ministry of Radio, Film and Television was now

drafting rules that would limit the number of co-productions between local and international filmmakers to 30 each year.

The ministry, which has seen several Chinese-made films win international acclaim despite bans or limitations at home, hopes to surrender only 30 percent of the overall domestic film market to foreign imports.

"The move is part of recent government efforts to protect and develop the national movie

industry," said Li Wenbin, a ministry official in the China Daily report.

Beijing's battle to keep foreign programming out has intensified despite signs that many Chinese viewers are willing to break the law to watch Western programs by using unauthorized satellite reception dishes.

Seven leading Chinese film makers were banned from their craft earlier this year for direct

ing movies judged ideologically too sensitive by the ruling Communist party.

A co-winner of Cannes' Palme d'Or award, Chen Kaige's "Farewell My Concubine" has had only limited exposure in China, and then only after cuts by censors.

Beijing is also seeking to bolster its control over the final version of films that are co-pro

See FILM, Page 10

Wellfleet To Join With SynOptics

Compiled by Our Staff From Dispatches

SANTA CLARA, California — Wellfleet Communications Inc. and SynOptics Communications Inc. said Tuesday they had agreed to merge in a stock swap valued at \$1.03 billion.

The merger would create one of the largest suppliers of computer network equipment, with combined revenue of more than \$1 billion a year.

Under terms of the deal, SynOptics shareholders will receive 0.725 shares of Wellfleet stock for every share they own. Also, each of the parties has granted the other an option to buy, in certain circumstances, a number of shares of the other company's stock equal to 15 percent of its shares outstanding.

Wellfleet, based in Billerica, Massachusetts, is a vendor of information networking products and related services.

In its 1993 financial year, Wellfleet had net income of \$27.8 million on revenue of \$180.1 million. In the first six months of its current year, revenue more than doubled to \$160.1 million.

SynOptics, based in Santa Clara, had net income of \$75.9 million in 1993 on revenue of \$704.5 million. (Knight-Ridder, Bloomberg)

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MEDIA MARKETS

Keeping Track of Bigfoot

By Dan Stashower

New York Times Service

LONDON — Bigfoot has yet to grant an interview, but The Fortean Times, a British journal of eccentric phenomena, has been tracking his movements for more than 20 years. It has also been keeping tabs on the Abominable Snowman, two-headed cows and flying cats.

But the magazine, published every two months, does not see itself as a supermarket tabloid, even if it is the only publication to offer its readers a free "alien defense kit," guaranteed to flash red at the approach of extraterrestrial beings.

With a cover price of \$4.95, The Fortean Times reports on what it calls paranormal happenings and scientific oddities wherever they might occur, from outer space to the murky depths of Loch Ness. But it also provides room for scientists and others to express their doubts about the reports — and it never takes itself too seriously.

"We try to keep a sense of humor about all this," said Bob Rickard, its founder and editor. "We present the material without forcing our own agenda. We want to urge people to keep an open mind — but not, as the phrase goes, so open that your brain falls out."

From its start in 1973 as a small newsletter, the magazine now has a worldwide circulation of more than 30,000.

Like its American counterpart, The Info Journal, a publication of the International Fortean Organization, the magazine draws its inspiration from the work of a New Yorker named Charles Fort, who spent a lifetime researching reports of vanishing tribes, flying

saucers and what he called "mysterious precipitations" from the sky.

Mr. Fort, who died in 1932, always wanted the scientific world to take itself with a grain of salt.

"Every science is a mutilated octopus," he once wrote in a typically vivid style. "If its tentacles were not clipped to stumps, it would feel its way into disturbing contacts."

To mark the 21st birthday of The Fortean Times, Mr. Rickard and his colleagues were hosts for a recent two-day "Celebration of the Strange" at the University of London. The event drew about 1,000 people.

"It's something we've wanted to do for some time," Mr. Rickard said. "These people have never been gathered together in one place before."

The participants, many of whom call themselves Forteans, swapped stories about poltergeists and the Bermuda Triangle. They also attended lectures on topics like alien abduction and spontaneous human combustion.

But skeptics were also given their say. "I'd have been disappointed if they brought in only the true believers and proponents," said Joe Nickell, an English professor who is also a member of the Committee for Scientific Investigation of Claims of the Paranormal. He cheerfully assumed the role of debunker in the human combustion debate.

Today, Mr. Rickard and his co-editor, Paul Sieving, carry on Mr. Fort's work in the pages of their magazine, bringing wit and erudition to outlandish subject matter.

"Chinese Movie Takes Revenge," reads one headline. "UFO Spotters Not Insane — Official" proclaims another. Recent issues reported on flying goats and giant penguins.

CURRENCY & INTEREST RATES

July 5 Eurocurrency Deposits

Compiled by Our Staff From Dispatches</

MARKET DIARY

Stocks Edge Higher As Fed Jitters Loom

Compiled by Our Staff From Dispatches

NEW YORK — Share prices edged higher Tuesday, but the market got off to a slow start after the Independence Day holiday Monday, especially amid concerns about the outcome of a Federal Reserve Board policy-making meeting.

The Dow Jones industrial average closed 5.83 points higher at 3,652.48.

Advancing and declining issues were roughly even, and

U.S. Stocks

volume on the Big Board totaled 193 million shares, down from 197.19 million on Friday.

The bond market also chalked up mild gains on renewed buying that dealers attributed largely to technical factors. The 30-year Treasury bond's yield slipped to 7.59 percent in late trading from 7.61 percent on Friday.

Although there has been speculation that the Federal Open Market Committee might lean toward raising interest rates again to keep inflation at bay and prop up the dollar, many analysts expect the panel to maintain a steady policy course for the immediate fu-

ture. Results of the meeting, which began Tuesday, may in any event not be known for several weeks.

Traders noted that the investors were also wary of new commitments because key labor statistics due on Friday may rekindle inflation fears.

Texaco, rebounding from a 52-week low set Friday, closed up 3/4 at 60% on plans for a restructuring that will cut 2,500 jobs.

Other oil shares were also given a boost. Mobil gained 1% to 82%, Chevron added 1/2 to 42%, and Royal Dutch Petroleum jumped 2/4 to 107.4.

Boeing climbed 1/2 to 474/4 after it said it delivered 67 commercial jet transports in the second quarter.

Caterpillar rose 1/2 to 101.4, but dealers cautioned that the share remained volatile as the company battled with the effects of a strike.

Paragon Computer fell 1% to 4% after the company said it faced losses for the rest of the year because it would no longer get guaranteed revenue from International Business Machines. (AP, Bloomberg, Reuters)

Dollar Down Slightly As Fed Opens Meeting

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was slightly lower against other major currencies in light, quiet trading as market awaited news

Foreign Exchange

from the Federal Open Market Committee, which began its two-day meeting Tuesday.

Traders said there was no clear-cut market sentiment regarding the decision the policy-setting arm of the Federal Reserve Board would take at the meeting — to leave the federal funds rate unchanged at 4.25 percent or raise it by 25 or by 50 basis points in response to a healthy economy and a slumping dollar.

This uncertainty was keeping key players on the sidelines, with one large seller of dollars for marks depressing the U.S. currency against the European currencies early in the session.

The growing expectation that even if the Fed opts to tighten short-term rates for the fifth time this year it will limit any increase to 25 basis points.

(Reuters, APX)

The dollar was at 1,5803 DM in late New York trading, down from 1,5966 DM Friday, at 98.923 yen up from 98.650; at 1,3260 Swiss francs, down from 1,3396; and at 5,4175 French francs, down from 5,4670. The pound rose to 1,5437 from 1,5385. New York markets were closed Monday for the Independence Day holiday.

"The script will be the prime concern in the screening of films," the report said.

FILM: Beijing Takes New Steps to Shelter Its Movie-Making Industry

Continued from Page 9

duced, requiring all such films to complete their final editing and production in China before they can be released.

"Co-production of films with foreigners can survive if the principle of mutual benefits is observed," Mr. Li said in the report.

"The script will be the prime concern in the screening of films," the report said.

The report did not specify how the restrictions might affect the sale of foreign programming to China's fast-expanding domestic cable television market.

"Many international producers want to work in China, the prices can be low and the domestic market very appealing," said a Hong Kong entertainment executive who asked not to be identified. "But no one in

China wants to put their name on the line for a co-production these days."

But rather than take responsibility for the activities of their joint venture partners, the executive said that Chinese studios and directors were likely to provide international production groups with their services and access to domestic markets on contract fee basis.

"Like most things in China,

there should be a practical way around the regulations," said the executive.

Copyright China's legislature on Tuesday approved prison terms and stiffer fines for copyright violators, answering a key U.S. demand five days after Washington threatened sanctions, according to an Associated Press dispatch from Beijing.

WORLD STOCK MARKETS

Agence France Presse July 5

Close Prev.

Amsterdam

Close Prev.

Alcatel Chief Denies Charges Of Corruption

Compiled by Our Staff From Dispatches

PARIS — The chairman of Alcatel-Alsthom SA, France's largest private corporation, on Tuesday scolded at corruption charges filed against him and received support from the minister of industry and trade.

Pierre Suard, chairman of the energy, transport and telecommunications company, described as "banal" the allegations that he misused company funds to install security systems at two private residences.

Mr. Suard was arrested and charged late Monday with fraud, embezzlement and corruption. He was released on bail of 1 million French francs (\$183,000) after 12 hours of questioning.

He is so far the most senior French businessman to be part of a series of investigations into alleged irregularities.

The charges against Mr. Suard were an offshoot of an investigation into charges that Alcatel allegedly overcharged the state-owned phone company France Telecom.

Industry Minister Gerard Longuet, who is also being in-

vestigated for allegedly using political influence to raise money for private use, told French radio he was concerned about the damage done to the reputation of a major exporting company when its chairman was put under investigation.

Mr. Suard "is one of France's great bosses," Mr. Longuet said. "Thanks to him, we are at the top level worldwide in the energy, telecommunications and rail sectors."

Mr. Suard said Tuesday at a news conference that he had asked the French stock market regulator to investigate how news of his arrest had been scattered to the financial markets.

Reports of Mr. Suard's interrogation by police sent the price of shares in Alcatel, France's second-largest publicly traded company, plunging 8 percent Monday to 541 francs. The shares rebounded Tuesday to 572 francs.

(AP, Reuters, Bloomberg)

Spanish Central Banker To Be Fined Over Trades

Reuters

MADRID — A former Bank of Spain director is to be fined for trading on inside information just before the central bank intervened in December at Banco Espaol de Crdito, known as Banesto, a central bank spokesman said Tuesday.

The spokesman said the disclosure had come just before Luis Angel Rojo, governor of the Bank of Spain, was to be formally nominated for a new six-year term this week. "This could not have come at a worse time," he said.

While authorities of the National Securities Market Commission issued no statement, sources close to the commission

said a fine of 15 million pesetas (\$114,000) had been proposed.

The former director, Tomás Ramn Fernndez, sold 2,300 Banesto shares on Dec. 27, one day before the intervention and suspension of the shares, avoiding a loss of about 3 million pesetas. He resigned in January, and trading was not resumed in the shares until the end of that month.

Mr. Fernndez, a lawyer and professor, said he would appeal the decision.

"I have made my case, and as the outcome will in any case be a sanction, I plan to lodge an administrative appeal in the courts," he said on Spanish state radio.

Independence Has a Cost

Palestine Now Faces Economic Battle

By David Hoffman

Washington Post Service

GAZA — Off a sandy alleyway, through an open door, industrial sewing machines buzz sharply. White cotton cloth stands in heaps on the floor, and sparkling purple and white dresses hang up for display against the drab breeze-block walls.

Ibrahim Shimawi's workshop is a short drive from the Palestine Hotel on the sea-coast, where Yasser Arafat has been holding court. But it is in a part of the Gaza Strip that the Palestine Liberation Organization leader did not see in his triumphant return to this part of what some call Palestine.

Mr. Shimawi's sewing workshop, one of hundreds of similar little enterprises scattered through this city, is part of the economic backbone of the Gaza over which Mr. Arafat is assuming control. The shop's problems help illustrate why the political independence from Israel that Mr. Arafat has won cannot be easily translated into economic independence, which is his latest rallying cry.

Mr. Arafat has bristled at attempts by international donors to oversee the spending of aid given to the Palestinian authority that is beginning to govern Gaza and the Jericho region in the West Bank — and he paints a brave picture of a spartan, self-sufficient economy as the alternative to "blackmail" by outsiders.

In evocative metaphors, Mr. Arafat told Palestinians this week that the "children of the stones" who fought the Israeli military occupation can now turn their "strong arms" to building a self-reliant Palestine. "No one can starve us," he declared on a recent morning to a group of Gaza village leaders. "In this country there are tough people, tough people."

But the economic reality visible in Mr. Shimawi's shop contrasts with the picture of self-reliance that Mr. Arafat offers. While the Israeli military occupation of Gaza is over, the economic ties that bind the Palestinians to Israel remain as tight as ever.

The truth is that Gaza — for now, the largest piece of Mr. Arafat's new regime — has little to offer the rest of the world. Its economic backbone is its laborers, tens of thousands of whom are willing to work long hours for low pay.

Before Israeli-Palestinian violence and public opinion forced Israel's government to tighten border controls, more than 120,000 Palestinians from the West Bank and Gaza worked in Israel each day. Recently the number has been rising, and as of this week more than 46,000 Palestinians were commuting to jobs in Israel — 19,000 of them from Gaza.

But the bonds between Gaza and Israel are even deeper. According to Gaza's Union of Industrialists, the 535 garment shops such as Mr. Shimawi's and 56 textile factories represent about a third of Gaza's economy. More than 80 percent of them are subcontractors for Israeli firms. Fewer than 1 percent sell to

Europe or the Arab world, according to a survey by the industrialists.

Gaza's dependence on Israel grew over the 27 years of Israeli military rule. Israelis justified it as a way to provide jobs for the Palestinians. Critics charged that Israel used the people of the occupied territories as cheap labor — especially in the workshops based here, beyond the reach of Israel's Socialist-inspired labor laws.

Most of the garment workers in Gaza earn half of Israel's \$2.60-an-hour minimum wage or less and get none of the generous benefits guaranteed to workers in Israel.

The sewing shops of Gaza can be found scattered behind tall metal doors in residential neighborhoods where local women —

The Israeli military occupation may be over, but the economic ties that bind Palestinians to Israel are as tight as ever.

who represent the majority of employees — can easily reach them from their homes nearby. About three-quarters of the shops employ fewer than 10 workers.

Shop owners bring fabric from Israel and employ the women to cut and assemble it into jeans, blouses and T-shirts that usually are then sent out for sale in Israel.

The businesses and work in the factories in Gaza depends on the size of the labor force in Israel," said Mr. Shimawi. "Our country doesn't have oil or precious metals. We don't have any exports. That was one of the effects of the occupation." The Arab boycott against Israel was also applied to Palestinian goods made in the occupied territories.

Mr. Shimawi has five women at work and 13 more outside trying to sell his products in Gaza, the West Bank and Israel, especially in Arab towns. He has been in the garment business for 20 years but recently has found it difficult to get across the border to Tel Aviv to buy raw materials. The border restrictions, by cutting many Gazans off from their jobs in Israel, have hurt Mr. Shimawi's sales at home.

Other problems have hurt business in recent years, Mr. Shimawi said. He used to make white wedding gowns until the *intifada*, the Palestinian uprising against the Israeli occupation, began in 1987, prompting people to eschew lavish celebrations.

Despite his — and Gaza's — economic problems, Mr. Shimawi said that if Mr. Arafat had stopped by his shop, he would have been critical of the Palestinian leader.

"We know he is not coming with a magic wand or a mountain of gold," he said, sipping cold coffee on a blistering hot afternoon. "Abu Ammar did his best," he added, using Arafat's *nom de guerre*. "He lifted the occupation from our country."

Thomson Links Loss To Crdit Lyonnais

Compiled by Our Staff From Dispatches

PARIS — Thomson-CSF, a state-owned defense electronics concern, said Tuesday it had a 2.3 billion francs (\$425 million) in 1993.

The company, a subsidiary of the electronics group Thomson SA, had a profit of 1.52 billion francs in 1992.

On its own, Thomson-CSF had an operating profit of 1 billion francs last year. The poor bottom-line results, analysts said, were attributable to the company's 21.6 percent stake in the French bank Crdit Lyonnais, which in March reported a loss of 6.9 billion francs.

Crdit Lyonnais later won a government pledge of 3.5 billion francs of new capital, and the Thomson group agreed to chip in a further 1.2 billion francs.

Sources: Reuters, AFP International Herald Tribune

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	2600	2000
2200	2200	1900
2100	2100	1800
2000	2000	1700
1900	1900	1600
F M A M J J 1993	F M A M J J 1993	F M A M J J 1993
Exchange	Index	Tuesday Close
Amsterdam AEX	389.70	388.00
Brussels Stock Index	7,396.62	7,386.88
Frankfurt DAX	2,032.68	2,051.53
Frankfurt FAZ	777.74	780.13
Helsinki HEX	1,704.78	1,698.28
London Financial Times 30	2,320.93	2,324.80
London FTSE 100	2,965.00	2,970.40
Madrid General Index	296.46	301.05
Milan MIB	1,116.00	1,108.00
Paris CAC 40	1,678.73	1,661.18
Stockholm Afaersvaerdron	1,750.08	1,761.37
Vienna Stock Index	454.16	459.50
Zurich SBS	928.83	936.46

Very briefly:

Shares in Christian Dior SA, the French fashion and accessories concern, fell as much as 2.7 percent after turbulence in the markets caused the company to postpone a capital increase.

West European car sales in June jumped more than 10 percent for the second straight month, according to an estimate by French auto maker Renault SA, fueling analyst expectations that Europe's economy will return to growth this year.

The Italian government will announce broad outlines of its three-year economic and financial planning document Thursday, said Treasury Minister Lamberto Dini.

A Dresdner Bank AG subsidiary has purchased the Frankfurt office building that will house the European Monetary Institute.

Fisons PLC, the British pharmaceuticals and scientific equipment concern, said it had sold its British horticulture business for £25.3 million (\$38 million) to a consortium.

British Rail, which will be privatized next year, reported a 59 percent narrowing in its loss, to £108 million, for the year ended March 31.

Mr. Thomas added, however, that if Crdit Lyonnais is not sold to the public by December 31, 1998, Thomson-CSF will have the right to restore the 1.8 billion francs provision to its balance sheet.

The difficulty in assessing the 1993 loss forced Thomsco CSF to postpone its annual shareholder meeting beyond the legal deadline of June 30.

Its parent company, Thomson SA, was expected to nominate Alain Gommer as chairman of both companies at a board meeting that was being held late Tuesday, posts he has held since 1982.

(Reuters, Bloomberg)

about 10 percent of the gross national product.

Swedish markets fell Tuesday on doubts about the success of the government's 6.5 billion Swedish krona bond auction Monday.

Swedish markets have been weak since Skandia Forsaking AB, Sweden's largest insurance company, announced last week it had stopped buying government bonds until it was convinced the government was trying to control the deficit.

(Knight-Ridder, Bloomberg, AFP)

The previous forecast put the deficit at 150.7 billion kronor for the year that began Friday.

Mr. Wible also said rising rates would reduce 1995 gross domestic product growth by 0.5 to 1.0 percentage points. Previously, the government estimated 1995 growth at 3.0 percent.

The new deficit estimate is

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Herald Tribune

High-Tech Firms In Japan Are Investing Anew

Agence France-Presse

TOKYO — Japanese high-technology companies said Tuesday they either had completed or were considering plans to invest billions of dollars to meet soaring worldwide demand for electronics parts.

Toshiba Corp. and IBM Japan Ltd. said they would jointly invest 40 billion yen (\$405 million) on a second plant to produce thin-film transistor liquid crystal display panels, known as TFT-LCD, which are widely used for color screens of the latest generation of notebook computers.

Fujitsu Ltd., Japan's leading computer maker, announced separate plans to invest 80 billion

yen over the next two and a half years on upgrading two semiconductor facilities in Japan.

Meanwhile, NEC Corp. said it was considering a major overseas investment, possibly on the order of 100 billion yen, to build a semiconductor plant in the United States or Britain.

And in another move to escape the strong yen, Matsushita Electric Works Ltd. said it was planning to set up a \$13 million subsidiary in Thailand to make synthetic resin for semiconductor packages.

Toshiba Corp. and IBM Japan, a unit of International Business Machines Corp., said their four-year-old LCD venture, Display Technologies Inc., aimed to triple production capacity from the current 100,000 units a month at a plant in Himeji near Kobe.

"Demand for TFT-LCD is expected to enjoy rapid growth," Display Technologies' president, Toru Shima, said, noting that worldwide demand was projected to grow from 400 billion yen this year to 500 billion yen next year.

"The main market is portable computers, where the slim size, light weight and excellent image quality of TFT-LCDs are earning them increasing market share," he said.

Display Technologies, which is equally owned by Toshiba and IBM, plans to start building the plant in Yata, near Kyoto, this month and hopes to launch production early next year.

Production capacity is

expected to reach 200,000 units, twice the level at Himeji, which started operating two years ago and recently reached full capacity because of soaring demand for the panels.

Fujitsu officials said the company had allocated 50 billion yen to expand production at its Iwate plant in northern Japan over the next two and a half years and 30 billion yen to upgrade its Wakamatsu plant in the west.

Nippon Mortgage Owes \$4.8 Billion At Its Liquidation

Agence France-Presse

TOKYO — Nippon Mortgage Co. with debts totaling 473.4 billion yen (\$4.8 billion), has decided to go into liquidation, a spokesman for its top creditor, Sumitomo Trust & Banking Co., said Tuesday.

It is the third-largest debt left by a Japanese concern since World War II.

Sumitomo Trust accepted the liquidation plan Monday, the spokesman said, adding that Nippon Mortgage hoped to seek court clearance by autumn to wind up its affairs. Nippon Mortgage, set up in 1982 by Sumitomo Trust and two other real estate concerns, has been going through a restructuring caused by massive amounts of property-related bad loans.

As of the end of March, Nippon Mortgage held loans from 24 banks, life insurers and non-life insurers and 38 nonbanking financial concerns, the spokesman said. Sumitomo Trust & Banking is the company's largest creditor, with loans outstanding of 120.1 billion yen.

Taiwan's Investors 'Going South'

Once-Strong Flow of Money Into China Has Slowed

By Edward A. Gargan

New York Times Service

TAIPEI — After pouring billions of dollars into China in recent years, Taiwan's investors are slowing their activity there and are looking elsewhere at countries in Southeast Asia.

The slump in investment from Taiwan has accompanied a steep slowdown in general foreign investment in China. Last week, China Daily, an English-language newspaper in Beijing, reported that contracts for foreign investment in the first five months of 1994 fell 45 percent from a year earlier, to \$32.7 billion.

Taiwan's attitudes toward China have fluctuated wildly in the last decade, from violent anti-Communist isolationism to wary and tentative contacts with the mainland to a flush of enthusiasm by small and medium-sized businesses in Taiwan.

"Traditionally, Taiwanese businessmen have not been very international," said T.C. Lee, a banker at Citibank in Taipei. "But in the last two years, the tension between the two sides, between Taiwan and China, has been loosening. And that's why a lot of businessmen have started to make business in China."

"Here, there are lots of labor-intensive industries — garments, shoes, toys. All of them started to look outside to invest. They started to relocate initially to Thailand, Indonesia, Malaysia and, in the last two years, to China, to enjoy cheap labor, cheap land, cheap living costs."

Estimates of the size of Taiwan's investments in China vary wildly, from the Taiwan

government's figure of about \$9 billion to independent economists' estimates that range from \$15 billion to \$20 billion. The discrepancy arises partly because Taiwan businesses must use foreign subsidiaries or shell companies, as the government does not permit its citizens to invest directly in mainland China.

Yet Taiwan's Ministry of Economic Affairs recently released figures suggesting that Taiwan business investment in China fell more than 60 percent last year, from slightly more than \$35 billion in 1992 to just \$2.1 billion.

"A Taiwanese businessman who walks around China feels very comfortable," said Diana Ying, publisher of Commonwealth, Taiwan's leading business monthly. "But the degree of freedom, property rights, privacy — that's not there."

Michael M.C. Lin, president of Hsinch International Co., a group of companies in Taiwan that make furniture, mirrors and glass and run a printing business, built a furniture factory in Guangdong Province in China three years ago. Despite making money, he remains wary of prospects on the mainland.

"If our market depends too much on China, that is not healthy," he said. "After Deng Xiaoping dies, there are many economic scenarios about what could happen there."

Mr. Lin said, "I think China has a lot of problems, political problems, transport problems, a crazy bank system. But every country has problems, of course. So we built near Hong Kong so we can take advantage of its ports, its banks. So we are making money."

Still, Mr. Lin said, he would never bet his company on China. "I think there should be a balance," he said, "so that not everything is in China."

Late last month, as Mr. Lin and some fellow China investors sat in the office of a small trade organization they had created to help other businesses invest on the mainland, the talk was of the massacre on March 31 of 24 tourists from Taiwan who were boating on Qiantao Lake in the Chinese coastal province of Zhejiang.

While the Chinese govern-

ment insists that the three young men who were executed had committed the murders, many people say a renegade band of Chinese soldiers was responsible.

"For businessmen and people in Taiwan," Mr. Lin said, "Quidao Lake has made them see clearly what is China. Most Taiwanese know what the reality is there. They can change their policies very quickly there. It's not a lawful society."

The perception that China lacks a credible legal system is at the root of much of the concern, said Wu Rong-i, president of the Taiwan Institute of Economic Research, a private consulting and research organization.

"Chinese investment is like speculation," Mr. Lin said. "You don't have legal protections. In China, it's easy for provincial officials to have different interpretations of the law. It's quite natural for the Chinese to squeeze the Taiwan investor. Taiwan investors now think that China is not such a good place to invest. In some cases, you can have a very big profit, but in other cases, very small."

Mr. Wu also argued that too great a concentration of investment in China, as opposed to diversification across Asia, would create economic and political difficulties.

"If our market depends too much on China, that is not healthy," he said. "After Deng Xiaoping dies, there are many economic scenarios about what could happen there."

"There's a hot debate now in Taiwan," he added. "Some people say, 'How can you ignore such a big market?' Others say, 'No, China will use business to influence politics.' So we are trying to diversify our investments and markets."

So far, Taiwan's large business groups have resisted the lure of China. But there are now signs that the sharp dip in investment by small and medium-sized businesses may be followed by a surge in investment by large Taiwanese companies.

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
13,000	2,500	22,000
12,000	3,400	21,000
11,000	2,800	20,000
10,000	2,200	19,000
9,000	2,100	18,000
8,000	2,000	17,000
F M A M J J 1994	F M A M J J 1994	F M A M J J 1994

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• Yeo Hiap Seng Ltd.'s shareholders decided to retain Alan Yeo as chairman and managing director of the beverage maker, ending a family squabble about who would head the company.

• Canon Inc. raised its pretax profit forecast for the current financial year to 48 billion yen (\$487 million) from 40 billion yen because sales have been stronger than expected.

• Radio Television Malaysia is negotiating to renew its contract with Cable News Network after a dispute with the BBC over Malaysian government censorship of foreign news bulletins.

• China's 1993 budget deficit stood at 19.92 billion yuan (\$2 billion), below the projected 20.5 billion yuan, because of increased tax revenue.

• Singapore's nonoil exports jumped 31 percent in May from May 1993, helped by a booming electronics industry, which could result in an overall growth rate exceeding the government target of between 6 percent and 8 percent.

• New Zealand's gross domestic product rose 1.5 percent in the first quarter from the fourth quarter and 5.3 percent from the first quarter of 1993.

• Vietnam has obtained a grant and loan package from Switzerland valued at 25 million Swiss francs (\$19 million); half the package is a loan tied to Swiss procurements, and half is a grant.

• Gia Dinh Textile & Garment Factory in Vietnam was hit with a wildcat strike Tuesday as workers protested "abusive and indecent" behavior by South Korean managers.

• Renong Berhad, the Malaysian financial company, and the state-owned Bank Rakyat Indonesia are setting up a \$100 million venture capital company to promote medium-sized companies in Indonesia.

AP, Bloomberg, AFP,AFX

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Shanghai Investors Learn Booms Don't Last Forever

Reuters

SHANGHAI — At one of Shanghai's most exotic brokerages — a converted Russian Orthodox church — small investors who dived into the bull market of 1992 and 1993 are struggling to stay afloat.

"The water's up to here," said one disgruntled investor, holding one hand just below his nose.

They are ready to blame anybody, from securities authorities to the media, for a 17-month decline that has seen the average price of so-called A shares — sold to domestic investors — collapse 73 percent from their high in February 1993.

"They are all workers here," one market player said, gesturing toward the shabbily dressed crowd at the back of the church. "They don't have that much money."

Most of Shanghai's high-rollers, with their portable telephones and gold Rolex watches, have already abandoned the crumbling market,

often with the help of timely inside information. Less well-connected investors have been able to do it better but watch their investments evaporate. The bear run has swept away the life savings of many families.

In brokerages all over Shanghai, where eager speculators once elbowed their way to the buying counters, only a smattering of small-time players now watch prices flicker on the quotation screens. Many are unemployed or retired people.

At a branch of Shenzhong Securities Co., at least one investor was not too concerned about the slump. A laid-off factory worker in his early 40s, who gave his name only as Zhu, he can afford to sit out the bear market calmly.

Mr. Zhu said he got out of shares just in time and claims to have made money — a rare claim in recent months. Now he trades for the short term, he said, a strategy that market regulators deplore as "speculation and profiteering."

At the former Russian Orthodox Mission church, now occupied by Shanghai Trust & In-

vestment Co., a 69-year-old retiree who has lost more than 10,000 yuan (\$1,150) says he is mystified by the bear market.

In his view, most investors bought too recklessly when the bull market seemed destined to last forever. "They thought that, if the market rises, it is going to keep rising," he said. "That will not do. When it goes up, I run."

Like many, Mr. Zhu blames an excess of new offerings that he says overwhelmed the exchange. "There ought to be new issues, but the supply is now too great," he grumbled.

Many investors are also angry at the city's media, especially a popular financial program on Shanghai People's Broadcasting Station, for raising false hopes during the boom when it offered bad investment tips.

It is a good time to invest," insisted the second man, whose paper value of his holdings has plummeted from 100,000 yuan to 20,000 yuan.

But with most investors still reeling from the effects of the slide, few have the funds or the nerve to start buying again.

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• Hungary: 0-800-01111
• Israel: 177-100-2727
• Italy: 0-800-10
• Kenya: 8-196
• Lithuania: 0-500-99-0011
• Netherlands: 0-022-9111
• Poland: 0-010-480-0111
• Portugal: 0-5017-128
• Romania: 0-100-4298
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• Turkey: 0-00-800-12277

NASDAQ

Tuesday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Sales figures are unofficial. Yearly basis and totals reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend is mounting to 25 percent or more has been paid, the year's highest regular dividend is shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
—dividend data extracted.

- b. dividend rate of dividend plus stock dividend.
- c. Nondividend dividend.
- d. cash dividend.
- e. stock dividend.

- new yearly low.
- dividend declared or paid in preceding 72 months.
- dividend in Canadian funds, subject to 15% non-residence tax.

— dividend declared after split-up or stock dividend.
— dividends paid this year, omitted, deferred, or no action taken at latest dividend meeting.

17 - ~~dividends declared or paid this year, on accumulative
18 - issue with dividends to officers.~~
19 - ~~new issues in the past 52 weeks. The high-low range is
20 - indicated for each issue.~~

with the start of trading and — next day delivery. P/E — price-earnings ratio. Δ — dividend payout ratio.

7 - dividends declared or paid in preceding 12 months, plus stock dividends.
8 - stock split. Dividend begins with date of split.
9 - bonus.
10 - zeros.

1—dividend paid in stock in preceding 12 months, estimated cash value as ex-dividend or ex-distribution date.
2—never yearly high.
3—

v — *trading halted*,
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.

— wd — when distributed.
— wi — when issued.
— ww — with warrants.

— ex-dividend or ex-rights.
— ex-distribution.
— without warrants.
— no dividends.

y—ex-dividend and sales in full,
yld—yield.
z—sales in full.

SPORTS

Museeuw Takes Lead in Tour

By Samuel Abt
International Herald Tribune

CALAIS, France — The dream ended for Chris Boardman here Tuesday afternoon and he did not wear the yellow jersey of the Tour de France's leader when the bicycle race traveled hours later to his native England.

He rode heroically at the front of his Gan team, powering it along for kilometer after kilometer of a 66.5-kilometer (41.3-mile) windswept, and hilly course in a team time trial. In the end, though, his teammates were simply not up to his pace.

"I'm disappointed but that's racing," the even-tempered Boardman said. "We did our best."

He did not seem despondent to have lost the jersey and the distinction of being the first Englishman to wear it on British soil since the Tour began in 1903.

Gan finished 8th among the 21 Tour teams, in 1 hour, 21 minutes, 48 seconds.

Far, far faster as team time trials are measured was the speed of the GB-MG team from Italy, which finished first in the long circuit from Calais to the nearby Eurotunnel under the English Channel.

GB-MG, which also won last year's team time trial, was clocked in 1:20.31. That made Johan Museeuw — a name that will not trip lightly from British tongues — the man in yellow.

A 28-year-old Belgian and a top rider on one-day classics but not a man of the Tour's mountains, Museeuw trailed Boardman by 23 seconds at the start of the race against the clock.

The lead was established by Boardman, 25, in the Tour's prologue on Saturday, which he won easily, with Museeuw seventh. Boardman kept the yellow jersey on his shoulders through the two daily stages after the prologue and he had those three jerseys in his luggage when the train carried the first large group of passengers through the Channel, as it is known, since it opened in May.

Museeuw wore his jersey aboard as the Tour set sail for England — set throttle, at least.

He now leads the 81st edition of the Tour by 10 seconds over Miguel Indurain, the winner of the last three Tours and a rider who is looking better every day. The Spaniard also picked up 34 seconds on his major rival, Tony Rominger, the Swiss rider whose Mapei-Clas team came in fifth Tuesday.

Indurain's Banesto team finished a surprising third, 18 seconds behind GB-MG. Sandwiched between them was Motorola, which came in six seconds down.

That fine result vaulted Lance Armstrong, the Motorola leader, into fifth place overall, 22 seconds behind Museeuw. The American has been optimistic for days about his chances in the two stages in England.

Boardman fell to 20th overall, 54 seconds back.

Tuesday's stage was made especially difficult by winds off the Channel, which kept flags snapping in the harbor of Calais, a major crossing point by ferry to England, 42 kilometers away. Although the chalk cliffs of Dover can be seen on a clear day, they were hidden in haze during the race.

Otherwise the weather was ideally sunny and cool for the vast number of fans again out to see the Tour. For the riders, the stiff winds, which blew from all directions during the stage, were a problem.

Since the time of a team's fifth man across the line is given to all of the first five, the point is to keep as many as possible — but certainly five — of the nine starters together. That was a problem.

Then, a few kilometers later, Eddy Seigneur, another Gan rider, took a right turn badly and needed to take his right foot off the pedal to steady himself before he crashed into a

Germany could do it, and it finished 14th. The leading teams rarely slowed for a trailing rider unless he was their fifth man.

Boardman's team had much and varied troubles keeping five riders together. Equipment failure, flats, near-crashes and fatigue all slowed Gan's speed.

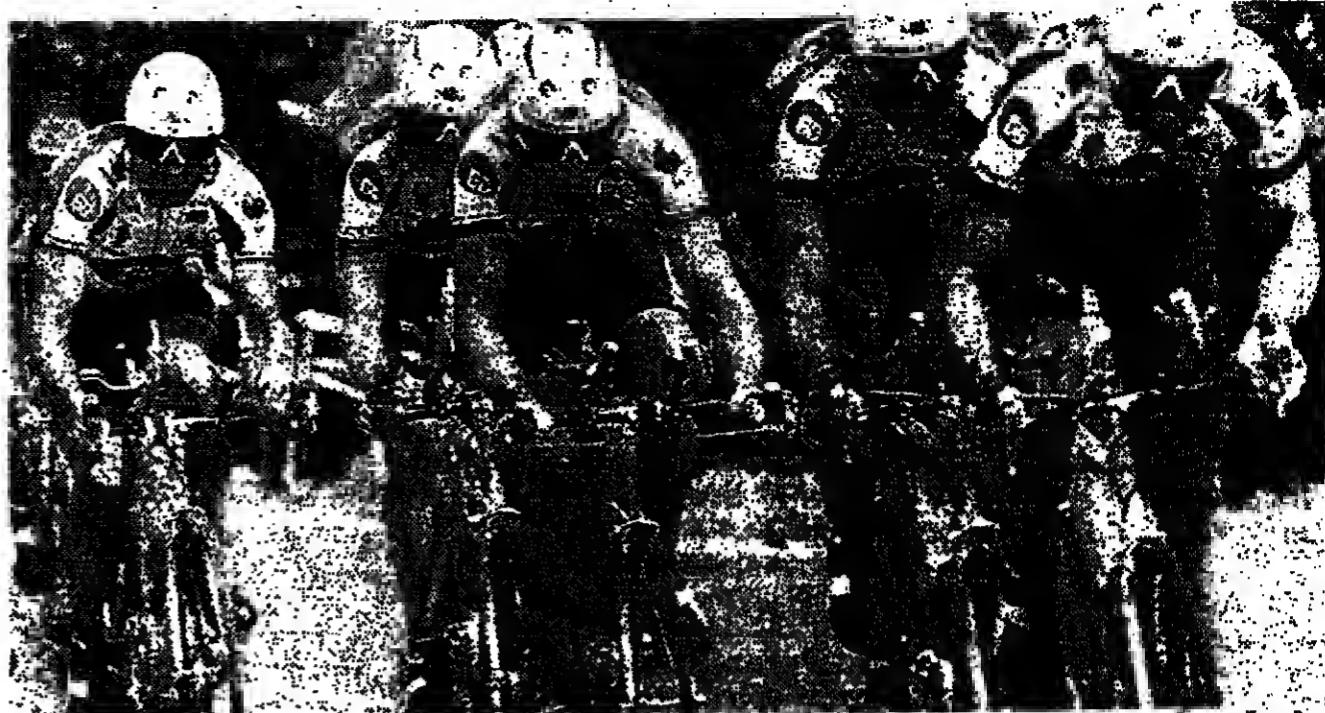
"We set too hard a pace on the hills," said Greg LeMond, one of Boardman's teammates. LeMond fell slightly behind on the last hill, a Z-shaped road visible from afar because of the spectators thick along its sides, and the team had to wait briefly for him.

He was losing his yellow jersey and he knew it and there was nothing more he could do to help himself. As the name says, it's a team time trial.

At the front, Boardman was taking extraordinarily long turns as the powerhouse. The Olympic champion in pursuit and former holder of the world record for the hour's ride against the clock, both solitary disciplines, may have been too strong and too eager for his teammates in this race.

More than once, for example, he looked back to see if another rider was ready to replace him and serve a minute or two as the pacesetter. And more, than once, nobody was up to the job, so Boardman had to keep leading.

He was losing his yellow jersey and he knew it and there was nothing more he could do to help himself. As the name says, it's a team time trial.



Johan Museeuw of Belgium, center, and his GB-MG teammates won the team time trial for the second straight year.



Colorado center fielder Mike Kingery nabbed Glenallen Hill's pop fly in the first game, but the fun was just beginning.

Cubs' Fans Suffer Through a True Test of Loyalty

The Associated Press

On a lazy holiday afternoon, the Colorado Rockies and Chicago Cubs began their double-header under almost perfectly clear skies.

Ten hours and 10 minutes later — after three lengthy rain delays, a broken hand, an "I got it, no, you got it" fly ball and other oddities — everyone finally went home.

"We ran out of food," said the Cubs' catcher, Rick Wilkins. "That's a long day right there."

So it went on July 4 at Wrigley Field, where the Cubs won the opener, 4-3, and the Rockies won the nightcap, 4-2, in 15 innings.

Only about 1,000 fans remained from a crowd that had numbered 37,167. One was Bob

Ferguson, a 57-year-old banker whose half-day at the ballpark seemed to warp his sense of what a true baseball fan is.

"I'm a real fan. I want to see the end of it," he said. But he added, "My wife, who is a real

baseball fan, left after the 12th inning."

The first game offered no hint of what was to come. It was simply a close game was decided in the bottom of the ninth when Glenallen Hill tied the score with a sacrifice fly and Derrick May won it with a two-out single.

Then, lightning and thunderstorms began rolling in off Lake Michigan.

A 34-minute rain delay inter-

rupted the sixth inning of the nightcap.

Kevin Roberson, pinch-hitting for Chicago, struck out and punched a door in the clubhouse in anger. He broke his hand and was going on the 15-day disabled list.

Mike Harkey, a former Cub, lost his shutout in the ninth on a base hit by Steve Butchele's bloop RBI single.

Colorado scored in the 11th for a 2-1 lead, but shortstop Walt Weiss made two straight errors in the bottom of the ninth, allowing the Cubs to tie.

In the top of the 14th, rain stopped play for 59 minutes.

In the top of the 15th, Dante Bichette hit a high fly to right-center and outfielders Sammy Sosa and Eddie Zambrano let it drop between them at the base

of the wall. Two runs scored, making it 4-2.

Then it rained again, and 52 minutes later play resumed — again.

The game ended when Greg Harris relieved Sosa on a liner to center.

Expos 5, Dodgers 1: Butch Henry pitched 6½ scoreless innings and Larry Walker got three hits, one a homer, as Montreal won in Los Angeles.

Henry allowed five hits in the third start this season in which he pitched shutout ball and failed to finish. He lowered his earned-run average to 2.26, but hasn't pitched enough innings this season to qualify for the ERA race.

Astros 13, Cardinals 6: Tony Eusebio had a career-high four hits and four RBIs and Andujar

Cedeno drove in four runs in St. Louis as Houston, with 15 hits and 11 walks, won for the sixth time in eight games.

Phillies 10, Padres 4: Todd Pratt, who entered the game in San Diego hitting .150 with no RBIs, doubled in three runs and hit a two-run homer for Philadelphia.

All-Star Danny Jackson allowed a season-high 12 hits in six innings and still got the victory and extended his streak of not allowing a walk to 21 innings.

Mets 2, Giants 1: Jim Linderman's leadoff homer in the 10th gave New York its victory in San Francisco.

Reds 5, Marlins 1: Reggie Sanders broke the game open with a two-run, eighth-inning homer and Cincinnati won in Miami.

third base and was later placed on the disabled list.

The Tigers' manager, Sparky Anderson, had Gardner intentionally walk Jose Canseco, bringing up Clark.

"It's a very simple decision to make," Anderson said. "It's

AL ROUNDUP

doesn't take much mentality. Even a moron would make it."

Athletics 4, Yankees 0: Steve Ontiveros extended his scoreless streak to 24 innings as Oakland won in New York.

Ontiveros gave up 10 hits in 6½ innings, and four other pitchers finished with hitless relief.

The A's have won nine of 10 and 15 of their last 18. New York has lost four of five.

Troy Neel hit a two-run homer of Scott Kammerman. Mark McGwire also homered for Oakland.

White Sox 3, Brewers 2: Pinch-hitter Norberto Martin doubled home the winning run with two outs in the bottom of the ninth as Chicago beat visiting Seattle.

Chris Hoiles and Mark McLemore also homered. The Orioles have hit 13 home runs in their last four games.

Sid Fernandez, sidelined for three weeks because of a strained rib-cage muscle, was activated from the disabled list and was in the game and went five innings. Mark Eichhorn pitched four scoreless innings for his first save.

Chris Bosio gave up a home run and then nearly hit a home run with two outs in the sixth. He allowed only two hits in seven shutout innings as Boston beat visiting California.

Craig Grebeck doubled with two outs and Ricky Bones and Ron Karkovice went in as a pinch-runner. The Brewers' manager, Phil Garner, brought in Jesse Orosco over objections by Bones and Martin broke an 0-for-19 slump with the winning hit.

Red Sox 4, Angels 1: Scott Cooper's two-run double highlighted a four-run second while Roger Clemens struck out 10 and allowed only two hits in seven shutout innings as Boston beat visiting California.

Clemens (7-4) left the game with tightness in his right groin. The Red Sox said it was too early to tell whether he would miss his last start before the All-Star break. Last year, he missed nearly a month because of a strained right groin muscle.

Mike Blowers hit a home run and drove in all three of the Mariners' scores. Ken Griffey has gone nine games since his 32d home run, matching his longest drought of the season.

Indians 7, Twins 1: Dennis Martinez pitched a six-hitter to win his sixth straight as Cleve-

land beat the Twins.

Boston has won 10 in a row against the Angels.

DENNIS THE MENACE



PEANUTS



CALVIN AND HOBBES



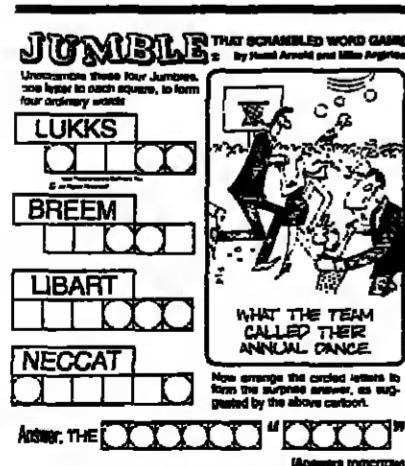
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Bebeto watched his shot sail past the U.S. defender Alexi Lalas and the diving goalkeeper Tony Meola for Brazil's goal in the 74th minute, securing the victory. John C. McDonagh/Agence France Presse

In Sportsspeak, Soccer Puts U.S. Athletes to Shame

By Frank Ahrens
Washington Post Service

WASHINGTON — On the evening of Sunday, June 19, hours before his country was to face mighty Brazil, at a time when a nation of 150 million souls looked to him for encouragement, Pavel Sadyrin, coach of the Russian national soccer team, said: "If we win the World Cup, it will be a miracle on the scale of flying saucers."

I will say this for soccer, which has come to our shores during this World Cup: It has elevated the quotes on American sports pages to a spectacularly higher level. A metaphysical level. A metaphysical level. A literary level.

This is very good.

American athletes are among the least insightful, least interesting people routinely quoted in newspapers. Incessantly, they offer up dreary lollipops and insipid truisms. American athletes say things like this:

"It's a game of what-ifs. But the bottom line is that we got beat by a team that came in here and played better than us." These were the ruminations of the Washington Redskins' former quarterback, Mark Rypien, after a 41-7 loss to the New York Giants last October.

To be fair, perhaps professional U.S. athletes are merely putting us all on; perhaps they are actually intellectuals, droll literati who issue moronic quotes as an elaborate joke on what they regard as the lowbrow media. I prefer this theory to the alternative that American athletes are as dumb and bland as turnips.

Anyway, with World Cup soccer, it's all different. With World Cup soccer you get quotes like this, from Brazil's coach, Alberto Parreira: "Your mind has to be free, knowing you are doing your best. You

have to grow. If you get small, you are crushed."

They never "get small" these guys.

Even though places like Washington rally around their Redskins, the city does not live and die with each game. People do not commit suicide after the Redskins lose, as they did in Brazil a few years ago after the national team lost the World Cup. So it makes sense that quotes from soccer players would include more than just the game. They would encompass life, death, drama, apocalypse and, if necessary, something about the game.

Quotes from American athletes and coaches are about doing; quotes from foreign soccer players and coaches are about being.

Hence, the sagacity of the Mexican team's coach, Miguel Mejia Baron: "When life smiles on you, fortune is nearby. And when there is bad luck it is often to do with a lack of attitude and capacity to work in life."

And hence the aphorism of the Moroccan coach, Abdellah Ajri Blinda, who uttered a maxim so true, all would be wise to heed it: "Life doesn't end with Belgium."

It is often said in this country that kids ought to play sports because sports teach lessons in teamwork, discipline, perseverance and good fellowship.

Perhaps. But think back to your Little League days. Do you remember anything resembling this: "Life is experiential, son. You profit handsomely from both the good and the bad."

Or do you instead remember this: "Hit the freakin' cutoff man! Hit the freakin' cutoff man!! Christ Almighty!!" (Slams cap down.)

American sports are sports of violence and collision, laced with appropriate ter-

minology, such as "bomb" and "blitz" and "suicide squeeze" and "coffin corner." And much of American sport, particularly the National Basketball Association of late, is about not only beating but humiliating your opponent.

But when did you ever hear a coach frame the game in such Wagnerian terms as Italy's Arrigo Sacchi, who, when asked to assess his team's situation in the standings, responded: "We cannot afford to try to calculate. We must play to the death."

Consider the use of vivid verbs and powerful metaphors—conversations of good writing in any language—of these players:

"I expect the team to liberate itself in upcoming games." — Brazil's Rai.

What does he mean? Does it matter? Mexico always attacks. That's what Mexico is." — Mexican goalkeeper Jorge Campos.

Not. That's what Mexico does. That's what Mexico is.

Styron could not have said it better.

"In life, we all aspire to fight until the last minute. Or until the whistle blows." Colombian defender Alexis Mendoza.

All of this sounds somewhat better, say than this quote, from the Washington Capitals' goalie Don Beaupre, after a National Hockey League victory over Los Angeles: "Myself and everyone else worked hard this week."

Maybe our game of baseball is the American Meaning of Life metaphor; in it, we find father and country and honor and poetry and sentiment and symmetry. But these words come from writers and commentators and historians. These are not the words of the players.

Here in the United States, the World Cup is something Americans understand

— a huge, gaudy spectacle. But we view it like Victorians who made their Grand Tour at home — it is paraded before us with familiar, stereoscopic detachment and we can regard it safely, like exotic, poisonous snakes stuffed and mounted beneath glass.

These player quotes are the persistent little raps on the inside of the glass, the reminder that with this game comes a way of viewing life very much different from our own. With it comes hope and expectation that goes far beyond soccer and vicarious joy; a hope that crosses over, indeed, into the realm of sustenance and grace.

Consider the words of the embarrassed Argentine soccer star Diego Maradona, now banished, a man of ravenous appetites and fulminating passions, one of the greatest players of all time: . . .

"Soccer is skin. It's giving the people that happiness they never get from the government, or from empty promises politicians have been making for years. Soccer never lied to the Argentine."

Is there hope for American sports quotes?

Perhaps. What follows is not a quotation from a player, or even a coach. But in America, intelligent sportspeak is still in its infancy and we must take what scraps we can get from whatever the source. So listen to Alan Rothenberg, chairman of the U.S. World Cup organization:

"If we do well, I think we could start to catch lightning in a bottle."

Not bad.

Not bad at all.

Let's just call it a "glimmer" of hope.

Contributing to this article was staff researcher Robert Lyford.

Rabid Rooter Seeks Shot — for Lockjaw — Please

By Tony Kornheiser
Washington Post Service

WASHINGTON — Okay, so we lost, so what? I'll still take Frank Sinatra over Sergio Mendes.

One-nil. One-nil to the mighty Brazilians. One-nil to the invincible Brazilians. Just one stinking nil. Samba that.

On the other hand, we did have a man advantage for 43 minutes. The power play. The added shooter. Shoot-o-rama! And we didn't get a single decent shot on goal. Oh, yes! Where'd we get this power play from, the Belize ice hockey team? How could we not get any good shots? As that old midfielder Dick Vitale would say, "You gotta shoot the rock, baybee."

Tom Dooley gets that great chance in the 11th minute . . . then catatonia.

Of course I heard Roger Twibell, Sami Malin and Rick Davis try to convince us that this was really a big

step forward for American soccer, that we can build on this loss. And I know that!

every loss is a learning experience. So I hope what we learn from this is: *Ya gotta shoot the ball!*

What a set-up, holy cow, they'd never believe it if we'd beaten Brazil on our Independence Day. I had my opening paragraph written: "History will now record that the Declaration of American Soccer Independence was born on the Fourth of July." Okay, it's not exactly "Call me Ishmael" — but it's better than Roger Twibell saying, "The Brazilians have great passion for soccer, and they also have great passion for auto racing." Just as a way to drop in a promo for the Cleveland Grand Prix on ABC.

I really thought we were going to win. I thought it was destiny after one of the Brazilians, I think it was Chimichanga, missed the wide open net to Tony Meola's left early in the first half. And then Romario hit the post ("He hit the poosssssm!!") right at the end of the half. I still thought we were going to win even after I heard Rick Davis's disheartening



The referee, Joël Quiniou, ejected Leonardo for elbowing Tab Ramos.

observation, "That's two different times (the United States) has been caught in a flat back four." I've been caught in a flat back truck myself, so I figure a flat back four has to be gassy.

I felt we were going to win because we were playing 11 on 10 after Leonardo got red-carded for elbowing Tab Ramos into next Wednesday — and Brazil couldn't bring in Donatello, or any of the other Ninja Turtles. I felt we were going to win

because Romario was living in bad luck. Either he was wide or high or he couldn't get any mustard on his shot.

But things seemed to change when Brazil put in Cafu in the second half. Though the Brazilians were one man down, they continued to press the action, making short pass after short pass, like Joe Montana, relentlessly chewing up yardage. And we were, uh, waiting for something . . . a bus, I guess.

We did that California thing. We stood around, like, you know, dude, chillin'.

And in the 74th minute Romario slid one over to Bebeto, angling down the right side, and he went for the far post, and Tony Meola couldn't reach it.

Q. Do you believe in miracles?

A. Only if Smokey's singing.

So our active participation in the World Cup comes to an end, and from now all we do is the host thing. But 1-0 to Brazil isn't bad, right? Better to lose to them than the Swiss. You can bet the Brazilians weren't practicing sexual abstinence.

Let me add parenthetically that I went to the Spain-Switzerland game in Washington. I didn't know who to root for, because while I loved being in Barcelona for the 1992 Olympics, I also have such fond memories of Ovaltine. This wasn't nearly as big a costume game as previous RFK matches, where the Dutch dressed head to toe in orange, and the Mexicans covered themselves in pro-NAFTA bumper stickers. Since the Swiss are a reserved, neutral people, I wondered what they would come dressed as — cheese? numbered bank accounts? Actually, I saw three Swiss men somberly upon which they had hand-written "Switzerland." I guess that's the wild and crazy side of the Swiss that we never see in the counting house.

I ended up rooting for Spain because I sat in front of five guys with big lungs who kept up a steady "Eee-paa-yah!" chant throughout the game. Because of their true Castilian accents and the fact that they'd painted their faces red and yellow, I took them for Spanish nation-

als. As I turned to leave I offered them congratulations in Spanish, saying, "Felicidades," and the guy directly behind me shook my hand and says in completely unaccented English, "I've enjoyed your work on ESPN." All game long I think I'm sitting in front of José Greco, and it turns out to be a cab driver from Brooklyn.

Okay, let's get down to the serious questions for everybody who's been following the World Cup on TV:

1. Who is Sandy Glaser? That's the name on the card on all the Master Card commercials. Is this Sandy Glaser a he or a she? What is his/her credit limit? Does he/she get a discount on Gillette and Canon products?

2. Is the ball juiced? Well, come on. Here in the second round four of the six advancing teams scored three goals. In the first round if you got two you were the '97 Yankees. Greece hasn't scored three goals this century.

3. What's the deal with Maradona doing color on the game? Seriously, do you see Doc Gooden going to Cincinnati to sit in the booth with Ralph Kiner? Does this guy have no shame at all? (Who plays Maradona in the movie? Gotta be Joe Pesci.)

Foreigners are always attacking the United States for being a violent nation. But we don't murder our athletes. As much as I've come to like the World Cup, I'm glad we don't treat it with the same fervor as other nations. All this casual talk about how "soccer is a passion" and "soccer is a religion" makes me nervous; passion and religion is a dangerous and historically deadly combination. And I've had it up to here with soccer geeks who are, heaven help us, every hit as pretentious as our football geeks. One man I know, who has been salivating about the World Cup for years, while attacking American sports as loutish, informed me, "Every play, every rush down the field, is a complete short story."

I'm watching 22 guys with hairy legs kick a ball around, and he's seeing Carlos Castaneda in a crossing pass.

Brazil Dashes Dream, But It's Independence Day for U.S. Soccer

By Ian Thomsen
International Herald Tribune

PALO ALTO, California — Then Romario charged past three men with the finality of a bull bursting into the arena, going as far as he could until sacrificing himself up for Bebeto on the right. Bebeto's shot ran like a tongue across the mouth of the goal and settled where the net met the far left post.

Slowly, the U.S. team gathered itself for the final 21 minutes of its 1-0 loss to the vastly superior Brazilians, who are favored to win their fourth World Cup. On the Fourth of July, the Americans had defended as heroically and frantically as deck hands on a burning ship. Then Bebeto did what is demanded of him, leaving 21 minutes for his boots to understand what they had done.

For a while the crowd was glued and quiet. Then the U.S. goalkeeper, Tony Meola, who years ago was drafted to play baseball for the New York Yankees, found himself alone against the bull. Romario shot and Meola, landing on his shoulder, denied him. As he stood up the 84,147 at Stanford Stadium, most of them Americans who had never much cared about soccer until last week, realized that only minutes earlier they actually had been figuring the probabilities of Brazil, down a man and scoreless, losing to the United States.

"I just couldn't be more proud of the team," the U.S. coach, Bora Milutinovic, told American reporters. "I'm happy because of the effort my players put forth in this World Cup. We were able to say goodbye to a great atmosphere."

They were outshot, 16-4, which does not begin to describe the favorites' supremacy nor the underdogs' tenacity. It was one of those rare days that becomes what everyone had imagined without believing it could happen.

Milutinovic, the Serb known for taking Mexico to the 1986 quarterfinals and Costa Rica to the second round — and now for this — had fielded a defensive team, swayed in part by the first-round suspension of the midfielder John Harkes. Harkes' spot on the left side went to the previously ineffective Cobi Jones, while the striker Eric Wynalda was replaced by a midfielder, Hugo Perez, leaving the Dutch-born Ernie Stewart as the only striker.

The coach knows his players. Jones was tireless in dropping back to help Paul Caligiuri, much more than Harkes might have been; and whereas the United States had built up its success through Harkes in the first round, the counterattacking was now fueled through Tab Ramos. Within 12 minutes, Ramos was literally running circles around Zinho on the right side of the box before dropping the ball to Thomas Dooley, whose short, sliding cross trickled two strides from the Brazilian goalline — and just beyond the reach of Alexi Lalas, who tumbled into the net, and Marcelo Balboa.

It is difficult to say how an early U.S. goal would have influenced the Brazilians, whose patience was ruffled by the frenetic Americans. Without doubt, the favorites grew more efficient than in any of their first-round matches. In the opening minutes they had crossed the ball back and forth at midfield, deciding the best mode; now they were flying out of their zone in wave after wave like hockey players.

They had more chances than can be denied. The Americans of four years ago would have lost by a touchdown. Understanding that one mistake would be enough to finish them, the Brazilians had no choice but to play with the recklessness that beggs mistakes. A Dunga lob crossed by Márcio Santos to Alair, whose shot rolled wide off the ankle. Dunga to Zinho, whose scissor kick went just wide of the beaten Meola.

And then Ramos, tiny and lonesome at the other end, punching a long, hopeless shot high over the bar.

It was captivating stuff for what will

turn out to be the largest TV audience for soccer in the United States, to see one team so overmatched and yet fearless and indomitable. "Brazil, Brazil," was shouted down and overtaken by "U.S.A., U.S.A."

So comfortable had the Americans become that a columnist for the Los Angeles Times was second-guessing Milutinovic for not using Frank Klopas, a striker who might pull the U.S. team out of its drought. In the 10th minute, Caligari was actually booted by the Americans for misplaying a ball to Jones — both U.S. firsts in a game that had grown up overnight.

American fans came to the stadium carrying flags — and how many chances do Americans have to carry flags, even on the Fourth of July? They aren't known for traveling internationally in support of their teams, and it's the rare Olympics or Davis or Ryder Cup when they feel threatened by foreigners.

At one point, Ramos and Perez played a little game between themselves at midfield, with Caligiari eventually forming a triangle. But then their teammates didn't know where to go to involve themselves (we'll see what happens in 1998 in France) and soon the Brazilians were back on the stampede, forcing a dive from Meola against Leonardo.

The notorious Leonardo. In the 39th minute, his arm interlocked with Ramos as they fought for a ball and he caught the American with a vicious elbow behind the left ear. Ramos was hospitalized with a fracture of the parietal bone.

"But it is not a serious problem," the U.S. team's doctor, Bill Garrett, said afterward, adding that Ramos was "doing fine" and was expected to be released Tuesday.

Leonardo apparently didn't intend to injure, and when he realized that the referee had seen everything he tried to lean down and help. Several Americans arrived to shave Leonardo, and then the French referee, Joël Quiniou, came running in with his red card to quiet everyone. He even gave a yellow card to Ramos — for tangling with Leonardo — as he was being carted off the field. With his team short-handed, Romário responded with a contemptuous blast off Meola's post just before the half.

Wynalda replaced Ramos at halftime, and soon another striker, Roy Wegerle, would come in for Perez as Milutinovic attempted to change the U.S. tone from defense to offense. To be even against Brazil and a man up with one half remaining at home was beyond American dreams.</

